

The NATIONAL UNDERWRITER

FIRE · MARINE · CASUALTY · SURETY

Loyalty Group
I N S U R A N C E

FINANCIAL STATEMENTS DECEMBER 31, 1940

AS FILED WITH THE NEW YORK STATE INSURANCE DEPARTMENT

Companies	Capital	Total Admitted Assets	Liabilities (except Capital)	Surplus to Policyholders
Firemen's Insurance Company of Newark, N. J. <small>Organized 1855</small>	\$9,397,690.	\$34,530,903.	\$17,879,926.	\$16,650,977.
The Girard Fire & Marine Insurance Company <small>Organized 1853</small>	1,000,000.	5,163,053.	2,572,320.	2,590,733.
National-Ben Franklin Fire Insurance Company <small>Organized 1866</small>	1,000,000.	4,368,670.	2,052,838.	2,315,832.
The Concordia Fire Insurance Co. of Milwaukee <small>Organized 1870</small>	1,000,000.	4,753,345.	2,045,360.	2,707,985.
Milwaukee Mechanics' Insurance Company <small>Organized 1852</small>	2,000,000.	12,008,276.	5,544,065.	6,464,211.
Royal Plate Glass and General Ins. Co. of Canada <small>Organized 1906</small>	100,000.	275,944.	—	275,944.
The Metropolitan Casualty Insurance Co. of N. Y. <small>Organized 1874</small>	1,500,000.	11,344,660.	8,817,303.	2,527,357.
Commercial Casualty Insurance Company <small>Organized 1909</small>	1,000,000.	11,084,300.	8,521,840.	2,562,460.

Pittsburgh Underwriters - Keystone Underwriters

PACIFIC DEPARTMENT
San Francisco, Calif.

HOME OFFICE
Newark, New Jersey

WESTERN DEPARTMENT
Chicago, Illinois

SOUTHWESTERN DEPARTMENT
Dallas, Texas



FOREIGN DEPARTMENT
New York, New York

CANADIAN DEPARTMENTS
Toronto, Ontario • Vancouver, B. C.

· SECURITY · AGE · EXPERIENCE · PERFORMANCE ·

THURSDAY, APRIL 17, 1941

Spring is here again!

After the drab and dreary winter, when Spring blossoms forth, all nature faces the future with new vigor and new hope. Agents filled with new pep find their tasks less burdensome... field men get the urge to travel... and companies make new drives - all contributing their share to the job of getting and holding more business! The modern, far-sighted agent appreciates the enormous help he obtains by representing companies best equipped to assist in his efforts. On such a well-earned reputation, the Crum & Forster Group of stock fire insurance companies has thrived - to the advantage of agent, policyholder and company.



CRUM & FORSTER

MANAGERS

110 WILLIAM STREET • NEW YORK, N. Y.

United States Fire Insurance Co. Organized 1824
The North River Insurance Co. Organized 1822
Westchester Fire Insurance Co. Organized 1837
The Allemannia Fire Insurance Co. of Pittsburgh Organized 1868

Richmond Insurance Co. Organized 1836
Western Assurance Co., U. S. Branch Incorporated 1851
British America Assurance Co., U. S. Branch Incorporated 1833
Southern Fire Insurance Co., Durham, N. C. Incorporated 1923

WESTERN DEPT., FREEPORT, ILL. • PACIFIC DEPT., SAN FRANCISCO • SOUTHERN DEPT., ATLANTA • ALLEGHENY DEPT., PITTSBURGH • CAROLINAS DEPT., DURHAM, N. C.

THE NATIONAL UNDERWRITER. Published weekly (with one additional issue in April) by The National Underwriter Company. Office of publication, 175 W. Jackson Blvd., Chicago, Ill., U. S. A. Forty-fifth year. No. 16. Thursday, April 17, 1941. \$4.00 a year (Canada \$5.00), 20 cents per copy. Entered as second-class matter April 25, 1931, at the post office at Chicago, Ill., under Act of March 3, 1879.



This month's North America national advertising cites the case of a plant under construction that benefited from following the White Fireman's advice.

The owner was anxious to get the building completed so production could start. The White Fireman recommended the use of non-combustible scaffolding. This recommendation was adopted. When fire broke out in the framework, it was quickly extinguished with no interruption in the building's construction.

In the White Fireman, North America Agents have an effective weapon for building goodwill . . . and premium income.

See our full-page advertisement
in the April 21th issue of Life.

INSURANCE COMPANY OF NORTH AMERICA PHILADELPHIA

and the

INDEMNITY INSURANCE CO. of NORTH AMERICA

Write practically every form of insurance, except life.

Founded 1792

Capital \$12,000,000

Surplus to Policyholders Over \$71,000,000

The above Surplus to Policyholders is based on Commissioner's values. If based on the Market Values of Securities, as of December 31, 1940, this would be \$78,206,446.31. In addition the Company has set up a Voluntary Reserve of \$1,500,000, for Contingencies.

"SELL PROTECTION — NOT POLICIES"



This Is A Fireman

What is he doing?

He is trying to put out a fire.

Suppose he doesn't put out the fire?

Then the building will be destroyed.

Are the owners insured?

They probably have Fire Insurance but that won't save them from losing a lot of money unless they have Business Interruption Insurance too.

But didn't the man who sold them fire insurance sell them Business Interruption Insurance as well?

Maybe! Let's find out.

Did you?

THE AMERICA FORE INSURANCE AND INDEMNITY GROUP

BERNARD M. CULVER, President

FRANK A. CHRISTENSEN, Vice-President

U. S. Chamber's Insurance Division Program Mapped

Relationship of Coverage to National Security Key- note of Annual Meeting

WASHINGTON—Adaptation of insurance services to meet the emergency needs of business during the preparedness period will be described by insurance authorities at the annual meeting of the U. S. Chamber of Commerce here April 28-May 1.

"Insurance—Its Relationship to National Security" keynotes a round-table discussion scheduled for Wednesday af-



ESMOND EWING

ternoon, April 30. Chairman will be Esmond Ewing, vice-president and secretary of Travelers Fire. Among subjects to be analyzed at the session are "Comprehensive Insurance Coverages for Present Day Needs" by John L. Train, president of Utica Mutual; "Life Insurance for Economic and Social Progress" by William J. Graham, vice-president Equitable Society. Also to be discussed is "Fire and Casualty Insurance in the Defense Program" by Charles C. Hannah, senior vice-president of Fireman's Fund.

Fire Waste Contest Awards

At the Monday afternoon session, April 28, engraved plaques will be presented to winning cities and counties in the 1940 Inter-Chamber Fire Waste and Health Conservation Contests, conducted by the chamber's insurance department. J. H. R. Timanus, secretary Philadelphia Contributionship, and a former chamber director, will present awards to the fire waste winners.

Situation on Firing Line As Viewed by Producers

A survey of production in the light of current business conditions reveals that while business interruption insurance continues to be in the greatest demand and the most productive of new premiums, in the Chicago area one of the things demanding immediate attention from agents is readjusting assured's insurance to increased values.

Manufacturers, wholesalers and retailers re-inventorying stocks of goods, materials, and property are finding that a general overall increase in values of around 20 percent has occurred since last year.

Adjustment of Values Needed

One danger of permitting property to go unchecked is that with co-insurance, failure to adjust insurance to values will, in case of partial loss, cause assured to pay a part of it. Suppose an assured had a \$100,000 property, and carried \$80,000 insurance under an 80 percent co-insurance clause. If his values went up 20 percent to \$120,000, the \$80,000 insurance would represent only two-thirds of value, and in case of partial loss he would be penalized. With values already up and increasing on buildings, machinery, equipment, stocks, and so on, practically every assured needs this kind of a checkup, and needs it now.

Increased values can be covered by endorsement, though a better way is cancellation and rewriting.

Inventories Up Somewhat

The average mercantile risk is not yet increasing inventories extensively in anticipation of higher costs and prices, agents say. They should begin to feel higher prices about midsummer, and may start to extend their holdings of stocks before that time.

Certain classes of consumer goods, especially in the furniture field, already are being more heavily stocked in anticipation of higher prices and shortages. Such items as electric refrigerators, radios, etc., are illustrations. A furniture company recently purchased four \$5,000 policies to cover additional stocks stored in warehouses.

U. & O. Is Big Line

One agency reports doubling its U. & O. volume the first three months without any solicitation. A surprising number of large corporations have been carrying an insufficient amount and are now buying more. The fact that many of them have to have a bid and performance bond on government contracts has made them realize that U. & O. is a kind of indemnity bond in their favor.

There has been some rerouting of normal non-war orders away from factories with large defense commitments. This spreads the present business increase even more widely, particularly to small factories which means a good many plants with no defense orders whatever are now prospects for U. & O.

The second part of U. & O., to cover ordinary payroll is now a big selling point inasmuch as even companies that formerly purchased only the first part, to cover expenses and net profit, today are aware that certain loss of skilled la-

bor would otherwise follow a shutdown and prevent resumption of production.

Agents are urging assured whose manufacturing or processing hinges around an important piece of machinery—pressure vessel, compressor, generator, etc.—to buy machinery U. & O., since loss of such a machine would mean putting the concern completely out of business for some months.

Agencies are discovering that one reason agents did not sell more U. & O. was because they didn't understand it or realize its real significance. The demand for the coverage and the opportunity to sell it has forced agencies to simplify its presentation, which has helped in making sales.

Selling Comprehensive Liability

Some agents believe that comprehensive liability is a more worthwhile coverage to push, now that business is in an expansive period, than is U. & O. While not minimizing U. & O., they feel that it will be cut down considerably after the defense period, but that comprehensive is a permanent coverage which business will continue.

Whereas 10 to 15 years ago an effective selling approach was to engineer the fire rates, now it is to engineer the liability insurance into a comprehensive policy, one agent pointed out.

Rising costs in the building field is one of the things calling for immediate action by agents, it is believed. Construction labor and material costs have been growing since 1937, for a total of 20 to 30 percent, and are rising much more rapidly now.

Dwellings Will Need Attention

This is not so true of dwellings as of business properties since values are not so great, but even on dwellings 1941 probably will see the need for some attention to increased insurable values, agents say. At the end of the last war there was quite a campaign by insurance to get these values adjusted to actual replacement cost. One factor in this field is the increasing tendency of residential business to flow away from the average agent and broker to the bank or loan firm because of F.H.A. insured mortgages.

In bad times, and to a certain extent in normal times, business is inclined to quibble over insurance costs. This atmosphere has practically disappeared, agents report. Buyers are still concerned with insurance expense, but now everyone seems to realize they cannot afford to shut down without full coverage.

Hohwiesner Nominated to Head National Brokers

Fred W. Hohwiesner, San Francisco broker, has been nominated for president of the National Association of Insurance Brokers. The election will be by a mail vote. Others on the slate are: Executive chairman, Harry A. Moore, president Insurance Brokers Association of Massachusetts; vice-president, Frank P. Lavin, Chicago, past president

Much Talent to Be Heard at Buyers Conference

Variety of Insurance Leaders to Share Platform with Big Assured

Further details of the program for the two day conference of the insurance division of the American Management Association in New York May 5-6 have now been arranged.

Much interest is taken in the subject of the effect of coming events on pension plans and present social security practices. The subject will be discussed by E. F. Perkins, associate actuary Aetna Life, and J. J. Corson, director bureau of old-age and survivors insurance, Social Security Board. Discussion among the members of the audience will be conducted by J. W. Myers, Standard Oil Company of New Jersey.

Casualty Rate Discussion

On Monday afternoon the conference will be devoted to casualty rates. The speakers will be: J. W. Randall, vice-president, Travelers, and W. F. Lund, manager insurance division United States Rubber Company. W. A. Sullivan, manager insurance department Loose-Wiles Biscuit Company, will preside. Among the questions which Mr. Randall will answer and which Mr. Lund will discuss from the standpoint of the buyer are:

Will the proposed plan make experience rating available on certain risks?; how will the proposed plan work out with the smaller insurance buyer?; what should be done about present mileage and load capacity plans?; what effect would these proposals have on insurance costs?

On Monday evening there will be two off-the-record dinner-smokers, the first of which will be devoted to insurance management and the second to participating policies of stock companies. A. M. Schmidt, manager insurance department Johns-Manville Corporation, will preside at the session on insurance management and will be assisted by E. W. Harrington, vice-president Manufacturers Mutual Fire, and F. A. Roloson, treasurer Henry M. Warfield-Roloson

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Insurance Brokers Association of Illinois, and treasurer, E. S. Litchfield, to succeed themselves; secretary, H. G. Sawtelle, St. Louis Association of Insurance Brokers. Mr. Sawtelle is past executive chairman and past president St. Louis association. Mr. Litchfield represents the Insurance Brokers Association of Massachusetts.

Mr. Hohwiesner is former executive chairman Society of Insurance Brokers of San Francisco and National association, and is chairman Associated Insurance Producers of California.

Contempt Trial of Missouri Figures

McCormack Says O'Malley Opened Deal That Ended in Bribery

KANSAS CITY—Contempt charges against A. L. McCormack, St. Louis; R. E. O'Malley, former Missouri insurance superintendent, and T. J. Pendergast, former political boss, were being heard this week by a three-judge federal court. The charges grew out of their participation in the settlement of the Missouri fire rate case by bribery.

O'Malley approached McCormack, the latter testified, and asked if the companies wouldn't be interested in settling the Missouri case. McCormack passed this word along to Charles R. Street, representative of the companies, with O'Malley's suggestion that Pendergast and Street get together, McCormack said.

Attorneys for the three defendants objected strenuously to McCormack's testimony as to what O'Malley told him that long ago, but the court, composed of Judges Stone, Otis and Reeves, permitted the testimony to be continued.

A review of the Missouri case, including payment of some \$440,000 to Pendergast, O'Malley and McCormack by Street, was presented by Richard K. Phelps, assistant U. S. district attorney. "The government believes the defendants are in contempt and subject to criminal penalties," Phelps asserted.

The court took the case under advisement after appearance of McCormack, who went over the same testimony he gave before the federal grand jury early in 1939. The court denied two motions for directed verdicts of acquittal.

One appeal of attorneys for the three defendants was to the U. S. supreme court decision handed down recently in which it was held that civil contempt must be in proximity to the court.

On the stand, McCormack denied he had ever made any agreement with Pendergast and O'Malley to keep secret details of how the rate case was settled. He then went over payment by Street of various sums to Pendergast, and Pendergast's kick-back of \$62,500 to O'Malley and a similar amount to McCormack.

He talked with O'Malley but not with Pendergast before his testimony to the grand jury, McCormack said. O'Malley said at that time he hoped his name would not be brought in as receiving money.

CALLED TO SERVICE

J. D. McPherson, safety engineer in the Los Angeles office of the Aetna Casualty, has been called to the colors and now is serving as a captain at Fort Ord, Cal.

Maj. Wilbur C. Bechtold, who is affiliated with the Guy M. Cox agency, Iron River, Mich., and who has charge of the life and accident department, has been called to army duty. He is now stationed at Sault Ste. Marie, Mich., as executive officer at Fort Brady.

Capt. A. V. H. Kirby, inland marine underwriter in the New York office of Central Manufacturers Mutual, has now left for Fort Jackson, S. C., to be on active duty with the eighth division. He has been a member of the army reserve corps. He was given a farewell dinner by his associates in New York.

Also on duty at Fort Jackson is Lieut. G. A. Nason of the general average adjusters office of Johnson & Higgins. He has been assigned to the 43rd artillery battalion.

E. B. Nickell, Illinois special agent for Standard Accident, will go on active duty as an ensign in the navy next month.

Progress of Paramount Fire During First Year of Operation Traced

Now that Paramount Fire has completed its first full year of operations, a review of its accomplishments is of interest to the insurance fraternity generally. Prior to its organization there was a conference between officers of the National Association of Insurance Agents and Paramount officers, where the method of operation of the company was fully clarified. It then became known that the company was expecting to conform to all of the rules and practices of the various insurance organizations. It was further brought out that the organizers were believers in and supporters of the American agency system. A declaration of these facts was made at that time and it was agreed by the company with the National Association of Insurance Agents that its operation would not vary from the sound principles which it had espoused. Outstanding in this agreement was the fact that Paramount would not enter any agency not a member of its local exchange or eligible for membership.

It developed that Paramount was interested only in the larger and better operated agencies, which with hardly an exception are prominent in their local exchanges, as well as other organizations devoted to the good of the business in general. The company has adhered strictly to this rule and today its roster of agents includes many nationally known figures in the agency field. The moving spirit in the organization was Owen M. Murray, a prominent and successful business man of Dallas, with varied interests and a record of success in all of his undertakings.

Drew from Own Experience

Mr. Murray had long believed from his own experience as a local agent that a company unusually careful in the selection of its agencies was certain of profitable operation, especially if the larger portion of them were given an opportunity to share in the profits of the organization through stock ownership and given a voice in its management. He believed that men capable of founding and carrying on highly successful local agencies had valuable talents which might well be utilized in the development of a company in which they were interested and of which they were a part. Mr. Murray is a dynamic, indefatigable worker and since organization has given unsparingly of his efforts in behalf of the Paramount. He is chairman of the board.

Thorne Is Organization Man

Associated with Mr. Murray from the beginning was Ray A. Thorne, who had been associated for 15 years with Lincoln National Life. During that period Lincoln National had grown from a company of average size into one of the leading insurance institutions of the United States. From that association Mr. Thorne became a thorough and well-grounded organization man, well

equipped for the work of launching a new company, and thoroughly devoted to the principles of sound operation, and in addition he sees the necessity of aggressive action. Mr. Thorne is executive vice-president, secretary, and operating officer of Paramount.

Harrington Was Enlisted

Through Mr. Thorne the interest of W. Eugene Harrington, of the potent Atlanta agency of Spratlin, Harrington & Thomas, was enlisted. While the success of the company is directly traceable to the astute business ability and team work of the organizers as a whole, it is a fact that Mr. Harrington's interest and thorough knowledge of the business has been largely responsible for the sound foundation on which the company now rests, and for its bright future now clearly indicated. Mr. Harrington is a thoroughgoing insurance man and has brought to Paramount Fire all of the experience which he has gathered in a lifetime devoted to the business.

He believes in security to the policyholder and service to his clients, as well as strict compliance with all of the sound rules laid down by the various regulatory bodies. He has in turn endowed Paramount Fire with these cardinal principles. With all of his varied interests, Mr. Harrington is a busy man, but he proves again that the busy man is the valuable one. He finds time to furnish Paramount the energetic supervision which he gives to his own business and which he gave to the National Association of Insurance Agents when he was its president. He is permanently attached to the company and no important decision is reached without his counsel.

Ennis E. Murrey, president, is a well known banker and agent of Nashville and past president of the Bankers Association of Tennessee, was interested in organization of the company from its earliest inception. His aggressive force has contributed heavily to the success of Paramount.

Other Important Personages

Granville M. Semmes of Gary, Ind., one of the original organizers and active in its interests, is a vice-president. Mr. Semmes is a prominent business man, with interests chiefly in Indiana and the Chicago area. His business experience and knowledge of the fire insurance business proved invaluable in the successful launching of the company.

Byron T. Shutz, who directs the operations of the nationally known firm of Herbert V. Jones & Co., of Kansas City, also serves as vice-president.

Matt N. Young, prominent real estate and insurance man of Nashville, now president of the Nashville Real Estate Board, was made treasurer.

Charles S. McCombs, a prominent member of the bar in Texas and a resi-

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Folonie's Death Removes Strong Ins. Law Figure

Robert J. Folonie of the Chicago law firm of McKinney, Folonie & Grear, who dropped dead the other day while eating lunch at the Leland hotel in Springfield, Ill., was an integral part of the fire insurance business of the middle west. He was counsel for the Western Underwriters Association and for other organizations in the stock fire insurance setup and he was counsel for the companies from 1923 in the famous Missouri rate litigation. He carried the chief burden in that labyrinthian litigation until two or three years ago.

Mr. Folonie was consulted on countless phases of the business. He made many close analyses of fire insurance situations and he contributed generously for a large number of fire insurance persons. Mr. Folonie attended the meetings of the Western Underwriters Association and he had many close personal attachments in the business.

Native of Beardstown, Ill.

Mr. Folonie was 62 years of age. He was born at Beardstown, Ill., and was graduated from Lake Forest College. Mrs. Folonie's home was in Springfield and his death occurred while she was motoring from Chicago to Springfield.

Mr. Folonie's long prominence in fire insurance circles has almost obliterated recollection of his earlier association with the casualty business. For nearly 10 years after 1905, he was employed by London Guarantee in its claim department. So well regarded were his services that when about 1915 he made up his mind to engage in independent law practice, the company offered him an advance of \$2,000 a year to continue with it, which he declined. As a member of the firm of Daugherty & Folonie, a case of missing heirs, involving an estate of over a million dollars, was given to them for solution. So successfully was the search prosecuted and the money at stake distributed, that the law firm was awarded a fee of about \$100,000, upon receipt of which Daugherty and Folonie, accompanied by their wives, made a holiday trip to London.

Mr. Folonie was crisp, incisive and businesslike in his utterances. He formed conclusions and those who knew him discovered that what he said represented his finished decision and it was not merely the beginning of an argument.

Dramatic Appearance

Mr. Folonie in August of 1939 made an appearance that was inherently dramatic in hearings that were being conducted by Federal Court Master P. V. Barnett during the investigation of the Missouri rate case from the federal court standpoint. Mr. Folonie had until that time kept his own counsel on the Street-Pendergast-O'Malley scandal. Those who knew Mr. Folonie were satisfied that he was as completely ignorant of C. R. Street's negotiations with the Missouri politicians as were the fire insurance executives who had been induced by Mr. Street to pay over sums to him.

As a matter of fact, Federal Judge Kimbrough Stone at Kansas City had said gratuitously from the bench that it was obvious that Mr. Folonie was ignorant of those negotiations. However, there was the utmost curiosity as to Mr. Folonie's experiences with Mr. Street during that period.

He was under examination for 3½ hours in Chicago and he told a story in restrained, matter of fact terms, that was a revelation to fire insurance executives. He revealed how he had been humiliated throughout the years by Mr. Street; how Mr. Street had treated the lawyers with contempt and had handled them as stepchildren throughout. Mr. Folonie revealed how he had clashed with Mr.

(CONTINUED ON LAST PAGE)

THIS WEEK IN INSURANCE

Program for meeting of insurance division during annual convention of United States Chamber of Commerce, is announced. **Page 3**

Federal court denies companies a retrial in Missouri rate case. **Page 5**

Yacht underwriters face problem in boats in Coast Guard Reserve. **Page 11**

Year's progress is shown by the Paramount Fire's success. **Page 4**

Control of Excess, the casualty reinsurer, changes hands and it will be operated in close association with Excess Underwriters of New York. **Page 18**

Discussion of the question of graduated expense principle for casualty and surety lines is likely to prove to be the most important feature of the meeting of the National Association of Insurance Agents in Oakland. **Page 18**

Much insurance talent has been secured to participate in the program of the insurance division of the American Management Association in New York. May 5-6. **Page 3**

Program is announced for the annual meeting of the insurance division of the National Association of Credit Men to be held in New Orleans. **Page 6**

Risk of easy-pay plans seen in wake of New York financial responsibility law. **Page 17**

Superintendent Lloyd of Ohio asks congressmen to reject Hobbs bills for regulation of mail-order insurers. **Page 17**

Requirements of Reconstruction Finance Corporation have introduced some new problems into surety bond underwriting of defense projects. **Page 17**

New Trial Denied in Missouri Case

Federal Court Overrules Companies Seeking \$7,000,000

KANSAS CITY—A three-judge federal court has denied motion for new trial to 137 fire companies in the Missouri fire rate case. Unless the companies appeal, the 80 percent of fund impounded which was paid companies in the 1936 settlement, some \$7,000,000, will be returned to policyholders.

Judges Stone, Otis and Reeves handed down a lengthy opinion in support of their denial.

Companies based their motion for retrial on errors in statements, findings of fact, and conclusions of law, and on question of jurisdiction.

On jurisdiction the court said: "So long as there remains anything which a court can do in a particular litigation to protect its integrity, we think it has the power to act."

The court termed "inconsistent" the insistence of companies that they want no benefits from the settlement, yet contend the court has no jurisdiction over their disposal. "Willingness to return the funds would seem to be an idle gesture and none too graceful at that," the court commented.

The court asserted its action was "not for the benefit or punishment of any party but to do whatever the law and the facts justified in vindicating its integrity as a court of justice. We must and did take the situation as it then was and therefrom worked out that vindication in the only way possible—by taking from those we thought legally responsible for this imposition all fruits of such action."

Harrington Renamed to Head Massachusetts Department

BOSTON—Commissioner Harrington of Massachusetts was reappointed for a second three-year term by Governor Saltonstall at a meeting of the governor and council.

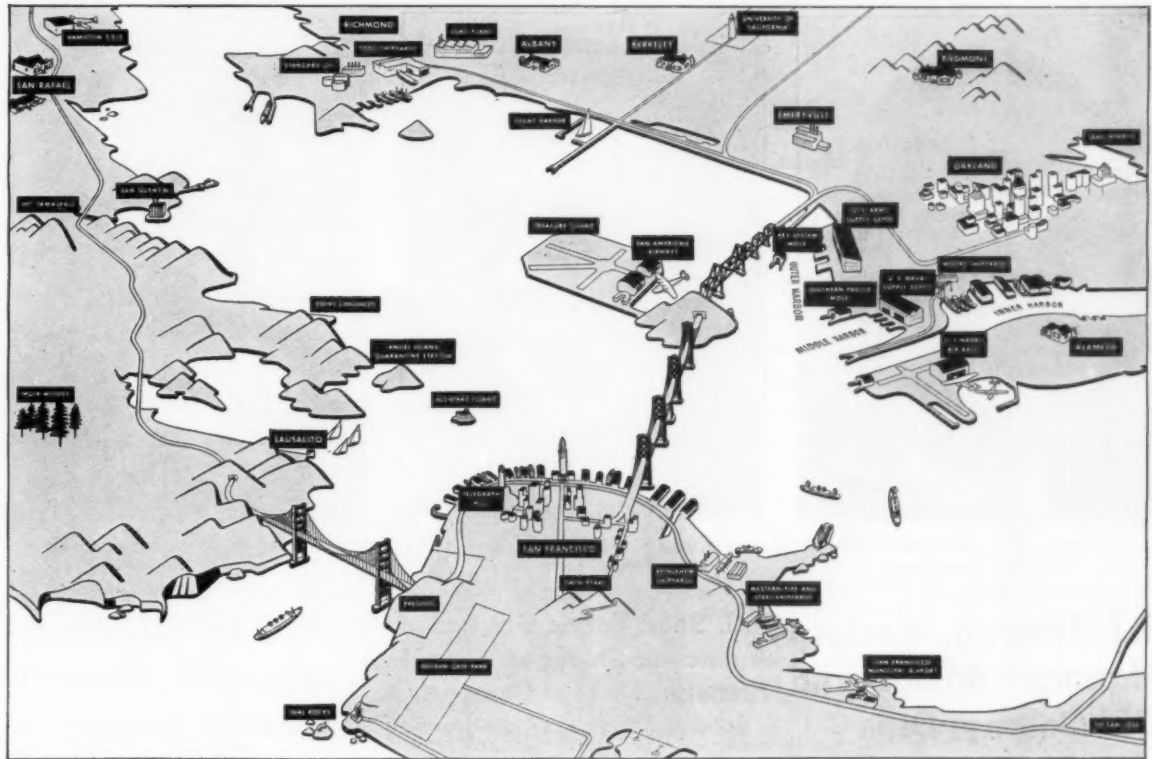
Commissioner Harrington was originally appointed by a Democratic governor and his reappointment by a Republican best testifies to the satisfaction he has given in office. He is the first commissioner in Massachusetts in recent years to have had previous insurance experience, having been in the business 26 years. He began in 1912 with the Massachusetts Bonding and for the past 12 years was with O'Brien, Russell & Co. He was chairman of the 1934 and 1935 Democratic state conventions.

He came into office at a time when new casualty mutuals were being formed overnight to handle compulsory automobile liability insurance and creating a scandal by their rapid demise. He closed out the last two and has been successful since in discouraging formation of new companies. It is conceded he has strengthened the laws regarding qualification of agents and brokers and their enforcement and eliminated a large number who were unfit and unqualified. He has brought to each legislature a large number of bills, for most part perfecting legislation.

London Lloyds Trust Fund in U. S. Passes \$50,000,000

NEW YORK—London Lloyds' trust fund which was established Aug. 28, 1939, with \$40,000,000 cash in the City Bank Farmers Trust Company, New York City, has just passed the \$50,000,000 mark. The reserve is held against all dollar policies. Premiums are paid into the fund and losses are paid out.

Points of Interest on Fireman's Fund Cruise for Agents



Delegates attending the mid-year meeting of the National Association of Insurance Agents who plan to arrive in Oakland by Sunday forenoon, are invited to be guests of Fireman's Fund on a sightseeing cruise of San Francisco Bay, April 20. This sketch of Oakland and the Bay Area is a reproduction of the map used in the invitation to agents and friends of the com-

pany to participate in this interesting excursion.

The three-hour trip will start at 1:30 p. m., and among the historic points of interest to be seen from the waters of San Francisco Bay are: Oakland's skyline and great harbor development; the two greatest bridges the world has ever known; the Golden Gate, the Pacific Ocean, "The Rock," former home

of Al Capone; Mt. Tamalpais, and other natural formations of this largest of all land-locked harbors.

This may be a last chance to cruise San Francisco Bay aboard the famous old ferries which have added color and glamor for nearly a century. These squat boats now have been supplanted by the internationally famous Oakland-San Francisco and Golden Gate bridges.

Relatively Small Damage to English Private Homes

WASHINGTON—War damage to British homes financed by building societies has been far less than expected, the Federal Home Loan Bank Review reports. Building societies are similar to U. S. savings and loan associations. Steps are being taken in parliament to have government share in the losses on an insurance basis so that they will not fall too heavily on a few home owners.

Experience of One Society

One large building society with mortgages on about 300,000 properties had only 480 homes entirely destroyed in 1940, 2,000 badly damaged but repairable, and 7,000 slightly damaged. Another with 15,000 mortgages had only 87 properties seriously damaged or destroyed.

Mortgaged properties of societies are scattered widely over England, Scotland and Wales, which mitigates the hazard of large losses from concentrated bombing.

Automobile Claims Men to Install Officers at Dinner

NEW YORK—Newly elected officers will be installed at the annual dinner of the Automobile Claims Association of New York Friday of this week at the Hotel St. George, Brooklyn. In addition there will be an elaborate program of entertainment.

The new president is William Euler of Appleton & Cox, who succeeds Leo Kling, Home. Other officers are E. C. Keating, Great American, vice-president; Edward Moran, London Assurance, secretary; and Kenneth Maines, Appleton & Cox, treasurer.

La. Agents' New Head Would Standardize Rates

Alvin S. Hahn of Winnfield, new president of the Louisiana Association of Insurance Agents,

has long been an advocate of mandatory published rates for all forms of insurance. Mr. Hahn indicates his intention of spending a great deal of time working with the various insurance bureaus for the purpose of keeping down the basic rates and securing discontinuance of deviations to unify the rate structure. He feels that automobile insurance requires special attention along these lines, because of the "alarming proportions" these rates have reached in the state. He believes there should be more cooperation by the public in the state safety program to keep down the loss ratio and help lower the rates.

Mr. Hahn was born and schooled in New Orleans. After attending McCallie College at Chattanooga, he became engaged successively in the sales department of manufacturing, electric, hardware, and automobile companies. He went to Winnfield in 1918, following his discharge from the army, in the automobile business. In 1924, he went into insurance and has been in it ever since. He feels that with his training and study in a wide field of business, he will be able to render an efficient service to the insurance agents in the state.

The Maritime of England has been licensed in Nebraska.

Big Attendance at Hail Association Wichita Meeting

WICHITA—More than 300 company officials and hail adjusters attended the Wichita meeting of the Western Hail & Inspection Association. Walker N. Moore, America Fore, Wichita, and John F. Wilhoit, Home, Oklahoma City, were joint chairmen. Among the speakers were S. K. Bjornson, assistant manager Rain & Hail Insurance Bureau, Chicago; Manager J. M. Stevenson and John D. Cooper of the Wichita office; Mr. Moore and Van B. Higbee, Hartford, both of Wichita; Mr. Wilhoit, W. R. Studebaker of Miller-Studebaker general agency, Topeka; W. L. Edwards and W. R. Williams, Great American; Loyal Hayes, Home, and Paul Christensen, America Fore.

Members of the advisory council in attendance included James B. Cullison, T. G. Dahl, B. E. Thorpe, Jacob Nelson and Mr. Bjornson, all of Chicago; Glenn Cavanaugh, Omaha, and O. B. Jacobs, Minneapolis.

Condition of the Kansas wheat crop is reported the best since 1938, crop authorities estimating the yield at 149,454,000 bushels compared with 142,114,000 in 1938. The extreme southwest, at one time the Kansas "dust bowl," reports the best prospects in the state. Of nearly 13,000,000 acres seeded, estimated abandonment is only 1,500,000 acres.

Swaine Made Winnipeg Manager

The Norwich Union group has appointed R. F. Swaine as branch manager in Winnipeg, succeeding J. E. Haskins.

Mr. Swaine was formerly Calgary manager. That post has now been taken over by J. E. Champness, until recently with the Norwich Union interests in the Far East.

Chairmen of National Councillors Forums at Oakland



GEORGE W. CARTER, Detroit
Midwest Conference



R. M. L. CARSON, Glens Falls, N. Y.
Eastern Conference



ED. H. MOORE, Birmingham
Southern Conference



C. ELMER WHITE, Oakland, Cal.
Pacific Coast Conference

B. L. Hewett, Western Manager Boston and Old Colony, Dies

Bertrand L. Hewett, vice-president and western department manager for Boston and Old Colony since 1918, died suddenly at his home in East Lansing of heart trouble at the age of 66. Mr. Hewett had been in good health and active up until the time of his death.

Mr. Hewett entered insurance in 1898 with Michigan Millers Mutual of Lansing, his home city. He went with Michigan Commercial in 1905 as assistant secretary. This company had been organized by A. D. Baker, until recently president of Michigan Millers Mutual.

When Michigan Commercial was re-insured in the Boston in 1918, Mr. Hewett became co-manager of the Boston and Old Colony western department with the late Ralph Rawlings. Mr. Rawlings later went with Monarch Fire, Cleveland, and Mr. Hewett became sole western manager of the two companies.

In 1936 Mr. Hewett was elected vice-president of the two companies. He was active in the affairs of the Western Underwriters Association and served on several of its committees. He was a director of Underwriters Adjusting, Chicago, and a member of the Michigan Advisory Board from its beginning in 1918.

A son, B. L. Hewett, Jr., is special agent for Boston and Old Colony in Michigan, working out of Lansing.

Mr. Hewett was regarded as a close student of the insurance business, and had many personal contacts throughout his territory.

Funeral services at Lansing were attended by a number of insurance people, including J. Louis Ivison, assistant secretary of the companies from the home office, and these state and special agents: A. C. Sauter and C. P. Tracy, Chicago; G. L. Hubbard, Illinois; R. B. Maxwell, Minnesota; H. W. Rollins, Ohio; Thomas Hites, Wisconsin; W. D. Cameron, Michigan; J. R. Hoff, Iowa, and R. E. Coffin, Indiana. Mrs. Ralph Rawlings, widow of Mr. Hewett's former co-manager and sister of Mrs. Hewett, attended from California.

Earl Gibbs, assistant secretary of the two companies, who had been Mr. Hewett's assistant in handling affairs of the western department, will act as manager pending appointment of a permanent successor to Mr. Hewett.

JAMES C. WRIGHT, Walla Walla agent since 1930, has joined the General Investment Company's insurance department, succeeding W. K. Blount.

R. I. Read Forms General Agency in Chicago; Homeland Is First Company

Rollin I. Read, who resigned just recently as manager of the Cook county and brokerage department of Crum & Forster, has now established his own general agency for the entire state of Illinois with headquarters in 1516 Insurance Exchange, Chicago.

Announcement is made this week by Homeland of the North British & Mercantile group of the appointment of Mr. Read as general agent for Illinois, thus becoming the first company in the office. Mr. Read will operate as the R. I. Read General Agency.

Mr. Read had been manager of the Cook county and brokerage department of Crum & Forster 20 years. He is one of the best known insurance men in the city and has an extensive insurance acquaintance throughout the country. In addition to Chicago he is very familiar with the downstate Illinois field because in days gone by he was Illinois and Missouri state agent of Sun. In 1917 he went with Marsh & McLennan and four years later opened the Chicago brokerage office for Crum & Forster. Subsequently he became Cook county manager of the Crum & Forster companies as well. He has unusual talents in a production capacity.

Suggest Terminology for Participating Stock Forms

THE NATIONAL UNDERWRITER has received several communications suggesting terminology to describe participating policies issued by stock companies, in response to an invitation to do so in a recent editorial. It was the opinion of the editorial writer that participating stock insurance is a cumbersome phrase and that it has unfortunate implications.

The advertising manager of a casualty company, who prefers to remain anonymous, suggests that such contract be referred to as "profit sharing policies." Nobody, he asserts, can mistake what this means. It would be hard to find simpler words to describe it. Moreover, he states, it actually represents the stock company view that profits are being sought and that they will be shared with the policyholder and not given to him entirely.

G. E. Edmonds, claims manager of Manufacturers Casualty, writes that he is especially interested in the question because his company has been a pioneer in this form of insurance. He suggests the word "considerate" (considerate rate).

J. H. Andes of Roanoke, Va., super-

Insurance Division Announces Program for Credit Muster

The insurance division of the National Association of Credit Men has announced its program for the annual meeting to be held in Monteleone Hotel, New Orleans, May 14. The National Association of Credit Men will hold its annual meeting during that week.

D. C. Campbell, America Fore, Chicago, is chairman of the insurance group. The vice-chairmen are T. A. Fleming, National Board, New York; J. Dillard Hall, United States Fidelity & Guaranty, Baltimore; A. J. Kelly, American Mutual Alliance, Chicago; H. J. Lowry, Michigan Mutual Liability, Detroit, and G. H. McClure, Lumbermen's Mutual Casualty, Chicago.

Mr. Campbell will preside over the meeting and make some opening remarks. J. M. Eaton, assistant general manager American Mutual Alliance, will speak on "Recent Insurance Developments and Their Effect on Credit." B. J. Weldon of Dulaney, Johnston & Priest, local agents at Wichita, will have as his subject, "Insurance Information Desired by Midwest Credit Executive." In the afternoon E. B. Moran, National Association of Credit Men, and secretary of the group, will give his report. There will be a set speaker who has not yet been selected. Officers will be elected.

To Enforce Ill. Truck Act

SPRINGFIELD, ILL. — Vigorous enforcement of the insurance provisions of the Illinois truck act was promised this week by W. A. Rosenfield, state director of public works and building. He said an increasing number of accidents has been brought to his attention involving trucks whose owners do not carry liability insurance as the law requires.

"All truck operators should be absolutely certain that the department has evidence in its file that their trucks are insured," he said.

W. H. Lininger, retired western manager of Springfield F. & M., who makes his headquarters at Tucson, Ariz., at the Lodge in the Desert in the winter, will return next week to his home, 2327 Park Place, Evanston, Ill.

visor in the southern department of the New Century Casualty of Chicago, suggests "dividend paying policy" or "profit sharing policy."

Fire Loss Up 5.6% in March

The fire loss in March is estimated by the National Board at \$31,471,000, which was the highest amount for that month since 1933. It was 5.6 percent higher than March of 1940, and it was 9.65 percent higher than that of the five year average for March.

Total loss for the first three months this year is estimated at \$84,043,000, as compared with \$100,459,700 for the first quarter of 1940, a decrease of 16.35 percent.

G. W. Hicks in Defense Work

George W. Hicks, vice-president of the Michigan Corporation of Marsh & McLennan, Detroit, has been granted a leave of absence so that his efforts may be utilized in connection with the national defense program. Mr. Hicks will be associated with the Defoe Boat & Motor Works at Bay City, Mich.

Charles F. Tanner, who has been with the Chicago office of Marsh & McLennan, Inc., for many years, is being transferred to Detroit.

Nixon Richmond County Speaker

NEW YORK—George Nixon, agency superintendent of the Marine Office of America, will speak on inland marine before the Richmond County Association of Local Agents at St. George April 18.

Governors of the Drug & Chemical Club, New York, celebrated the golden wedding anniversary of J. J. King, president Insurance Society of New York and head of the Hooper-Holmes Bureau. The King family likewise recognized the wedding anniversary of their parents, tendering them a dinner at the Waldorf which was attended by relatives and friends. The couple were married at New Haven, April 15, 1891. Mr. King never was more alert mentally or physically than he is today, and the success achieved by the service bureau of which he is president is very largely the result of his skillful and aggressive management.

O. G. Osborne, 71, formerly chief examiner for the Nebraska department, died at his home in Omaha. Mr. Osborne's first connection with the department was from 1920-1928, when he resigned to become secretary of Bankers National Life of Jacksonville, Fla. Later he returned to the department, retiring six months ago after nearly nine years' additional service.

Let HOBBIES carry you to NEW BUSINESS!

Many agents have found that insuring the hobbies of others is, in itself, a profitable hobby.

Royal-Liverpool agents have the advantage of an unusual folder (pictured below) in their development of this popular Inland Marine cover. Mentioned in this folder are representative hobbies—photography, stamp and coin collecting, model railroading, and others—which deserve the far-reaching protection of an "All Risks" Floater.

We'll gladly send you a specimen of "Hobby Exposures." Please address your request to our Publicity Department.



ROYAL LIVERPOOL GROUPS

ONE HUNDRED FIFTY WILLIAM STREET, NEW YORK, N. Y.

AMERICAN & FOREIGN INSURANCE COMPANY • BRITISH & FOREIGN MARINE INSURANCE COMPANY, LTD. • CAPITAL FIRE INSURANCE COMPANY OF CALIFORNIA • THE LIVERPOOL & LONDON & GLOBE INSURANCE CO. LTD. • THAMES & MERSEY MARINE INSURANCE COMPANY, LTD. • QUEEN INSURANCE COMPANY OF AMERICA • THE NEWARK FIRE INSURANCE COMPANY • FEDERAL UNION INSURANCE COMPANY • ROYAL INSURANCE COMPANY, LTD. • THE SEABOARD INSURANCE COMPANY • STAR INSURANCE COMPANY OF AMERICA

NEWS OF FIELD MEN

Glens Falls Makes Change in Northwest

Morse W. White, veteran field man of the northwest, is soon to retire as state agent for Minnesota and the Dakotas for Glens Falls under his company's retirement plan. His successor will be Phillip A. Baumann, who has been in the Minnesota field for the Fred L. Gray Company general agency of Minneapolis for the past three years.



P. A. Baumann

Mr. White went with Glens Falls in 1916, at first having supervision of Wisconsin, Minnesota and the Dakotas. Subsequently he relinquished jurisdiction of Wisconsin. Prior to his connection with Glens Falls he was with New York Underwriters for a number of years. He started in the inspection bureau at Minneapolis.

Mr. Baumann graduated from Northwestern University in 1927 and then saw service with Hartford Fire for about two years, which included some traveling in Kentucky and Tennessee. He was then connected with the National Inspection Company for eight years, first for a time in Chicago, then Des Moines and for eight years in Minnesota.

Vice-President R. S. Buddy has just returned to the head office after spending 10 days in Minnesota in connection with the change.

Many Iowa Blue Goose Activities

DES MOINES—The Iowa Blue Goose is holding its spring party, a dinner-dance-bridge, Saturday night. The annual meeting is scheduled for May 9 and the annual splash at Clear Lake, Ia., on June 13. Many members will attend the tri-state meeting at Sioux City April 23. J. H. Bunten, Fire Association, most loyal gander, said more than 130 reservations have been sent in for the Sioux City meeting.

H. G. Zimmerman, secretary of L. E. Ellis & Co., spoke at the weekly luncheon, describing the convention of the American Association of Insurance General Agents at Hollywood, Fla.

Albrecht on Executive Committee

DES MOINES—R. O. Albrecht, special agent St. Paul Fire & Marine, has been named on the executive committee of the Iowa Fire Prevention Association to fill the vacancy caused by the recent death of N. P. McGovern, also of the St. Paul.

The date for the inspection of Fort Dodge has been changed from May 7-8 to May 14-15.

San Diego Puddle Elects

The San Diego puddle of the California Blue Goose has elected these officers: Big toad, Carl Quigg, Peckham & Greene; pollywog, Joe Silveria, Pacific Board; croaker, Harry Le Baron, independent adjuster; bouncer, Romy Stewart, General Exchange.

The California pond has postponed its meeting until May 9, when it will hold a joint meeting with the San Diego puddle and install the new officers.

Plan Kansas Field Meetings

J. Y. Dickerson, most loyal gander of the Kansas Blue Goose, has appointed committees for the annual meeting May 6-7 in Wichita. George M. Montgomery, Western Adjustment, and V. B. Stenrod, North America,

both of Wichita, have charge of the banquet and entertainment at the Broadview Hotel the night of May 6. Walker Moore, America Fore, Wichita, has charge of the golf tournament the afternoon of May 7. The Kansas Fire Underwriters Association and Fire Prevention Association also will hold their annual meetings.

Show Auto Arson Film

At one of the largest luncheon meetings held by the San Francisco Blue Goose, the new colored sound movie sponsored by the National Automobile Theft Bureau and illustrating ways and means used by arsonists in automobile fires, was shown for the first time in the west. A. T. Bailey, Pacific Coast manager of North British and chairman of the theft committee, presided and outlined the purpose of the film. A number of police officials also attended.

Meet at Springfield, Mo.

A. B. Jones, manager of Western Adjustment at St. Louis, will discuss "What an Adjuster Thinks of the Business Interruption Form" at a meeting

of the Missouri Fire Underwriters Association in Springfield, April 22. The afternoon meeting will be followed by a dinner and a musical program. The meeting will precede an inspection of Springfield.

Turner in S. C. for Hartford Fire

With the retirement of R. L. Bailey, special agent for Hartford Fire in South Carolina since 1910, Special Agent H. G. Turner will take over that territory. Mr. Turner received his early training in Hartford's Atlanta office and later was special agent for the farm department in North and South Carolina. His last two years have been spent under Mr. Bailey's supervision.

Hartford Names Calhoun in Miss.

Hartford Fire and Citizens have appointed C. H. Calhoun, Jr., as special agent for Mississippi with headquarters at 709 Standard Life building, Jackson. He has been connected with the Mississippi Rating Bureau.

NEWS BRIEFS

The Wichita Blue Goose Auxiliary held its April luncheon-bridge with Mrs. L. T. Stubbs presiding. The annual meeting will be held in May.

The Blue Goose luncheon club, Sioux

Falls, S. D., heard Major Zalesky talk on the reserve officers corps.

The Wisconsin Women of Blue Goose are celebrating their 10th anniversary with a buffet supper and bridge, April 19, at Hubbard Lodge, Shorewood, Wis.

A retirement party in honor of Frank L. Emerick, veteran field man of Fireman's Fund, is being given Friday evening in Seattle, sponsored by the western Washington division of the Special Agents Association of the Pacific Northwest.

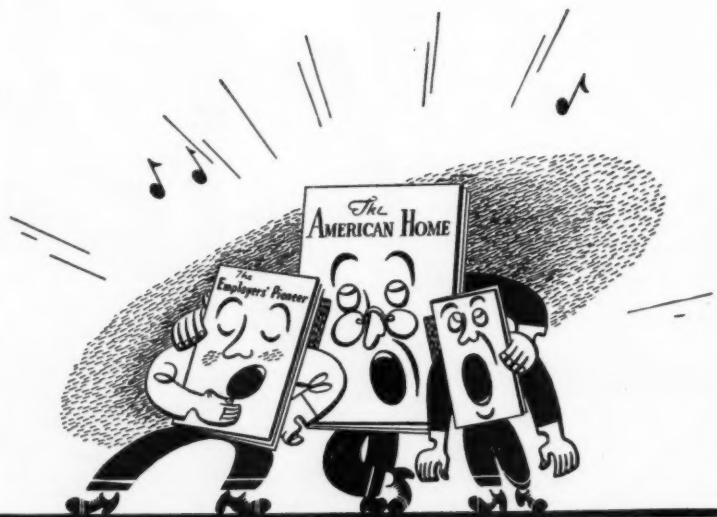
Several members of the Minnesota Blue Goose plan to go to Sioux City for the tri-state splash April 23.

At the meeting of the Ohio Stock Fire Insurance Speakers Association in Columbus this week, President D. P. Hague-Rogers spoke on "The Cotterpin in the Insurance Machine." Speakers next Monday will be R. W. Kapp, Phoenix, on "Insurance Buying Easier"; E. C. Knoop, Home, on "Associated Factory Mutuals," and R. J. Kennington, Gulf.

Mountain Appointment Made

New England Fire through its western department at Chicago has appointed Ritter-Monaghan general agency in the Gas & Electric building, Denver, as general agents for Colorado, New Mexico and Wyoming.

Close Harmony



We're serenading prospects for you—with a three-part advertising plan. Our first tenor is national advertising — reaching almost 2,000,000 persons every month. Our second tenor is effective, pretested direct mail material that harmonizes perfectly with our national ads. And for the good old melody man, we offer our monthly magazine "The Employers' Pioneer"—a busy down-to-earth publication that shows how to increase business.

Get a Free Copy of The Pioneer
See how Employers' Group agents are boosting their premium on all lines with our harmonizing advertising. Get a free copy of the latest issue of "The Employers' Pioneer." Write to the Publicity Dept.

The
EMPLOYERS' GROUP



110 Milk Street, Boston, Mass.

THE EMPLOYERS' LIABILITY ASSURANCE CORPORATION, LIMITED
THE EMPLOYERS' FIRE INSURANCE CO. — AMERICAN EMPLOYERS' INSURANCE CO.

COMPANIES

Fourth New Company Is Now Projected in Rhode Island

The bills creating two new insurance companies in Rhode Island have now passed the house and senate; the bill to charter a third company is still pending and there has been introduced a measure to create a fourth insurer.

Appalachian and Viking are the companies whose charter requests have been acted upon favorably. Colonial Fire is the one whose bill is pending and Lordes of Rhode Island Fire is the title of the fourth company for which a bill has been introduced.

The incorporators of Lordes of Rhode Island Fire are Gerald L. Keane, J. Everett Nolan and Joseph P. Clark.

Mr. Clark is deputy auditor of Pawtucket City; Mr. Keane is paymaster in the Pawtucket City treasurer's office and Mr. Nolan is a clerk in the city treasurer's office there.

All of these bills are practically identical. There has been some indication that the organizers are primarily interested in reinsurance. The bills also give the companies exceptionally broad powers. These companies would be empowered to insure "against loss of or damage to property of any kind, real or personal, from any cause whatsoever."

Appalachian is sponsored by interests identified with the factory mutual companies.

Rhode Island Authorized to Write Participating Policies

PROVIDENCE—The Rhode Island assembly has passed a bill authorizing the Rhode Island to write participating policies at the discretion of its management.

Eight New Girard Directors

Several new directors were elected by Girard Fire & Marine at the annual stockholders meeting. They are: Anthony G. Felix, vice-president Pennsylvania Company for Insurance on Lives & Granting Annuities; Gordon A. Hardwick, vice-president Penn Mutual Life; George J. Hauptfuhrer, vice-president Supplee-Wills-Jones Milk Company, Philadelphia; August J. Luedke, retired, Milwaukee; Richard C. Morse, vice-president eastern division Pennsylvania Railroad, Philadelphia; T. H. B. Smythe, president J. L. N. Smythe Co., Philadelphia; Joshua A. Pearson, retired, Philadelphia; Wilson A. Streeter, president Bailey Banks & Biddle Company, Philadelphia.

Reserve Becomes the Vigilant

The name of the Reserve of New York is being changed to the Vigilant. This is a subsidiary of the Federal, one of the Chubb & Son companies. It was organized to write a general fire and marine business and began operations in October, 1939, with resources of \$2,250,000. Last year the Federal contributed \$1,000,000 to its surplus account.

Rolfe with Callender & Sampson

SEATTLE—H. C. Rolfe, formerly with Electrical Products Consolidated, has become treasurer Callender & Sampson, general agency, specializing in marine insurance on cargoes and hulls, and long haul trucking operations.

Salvage Group Elects May 16

NEWARK—The Underwriters Protective Association of Newark, which has supervision of the Salvage Corps of Newark, will hold its annual meeting May 16.

T. C. Aarestad, assistant cashier of the Grafton National Bank, Grafton, N. D., and active in the insurance department of the bank, has gone to Denison, Ia., to become cashier of the Northwest Bancorporation there.

Scene at Hail Adjusters School



Here is the scene at the recent hail adjusters school that was conducted in Omaha under the auspices of the West-

ern Hail & Inspection Association. It was an exceptionally valuable session and very well attended.

Indiana Farm Field Men Hold First Rural Inspection

The town inspection and rural fire prevention meeting to be held in Spiceland, Ind., April 25, is the first activity undertaken by the new Indiana Farm Association, composed of farm depart-

ment field men of stock fire companies. It will be the first organized effort of this group to give rural and small town risks the benefit of a group inspection. A meeting will be held in the high school gymnasium in the evening following the inspection in the afternoon and a meeting for school children.

The meeting is to be opened by

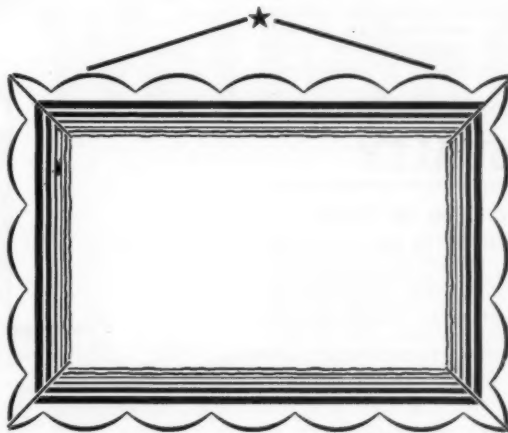
R. O. Richards, Crum & Forster, president Indiana Fire Prevention Association. Motion pictures will be shown by Clem A. Smith, state fire marshal. W. P. McGuire, engineer of the Indiana Inspection Bureau, will explain the fire rating service and answer questions. Newspaper space has been used to advertise the meeting and placards have been posted widely in the surrounding territory, including the towns of New Castle, Knightstown and others. M. D. Miller, Crum & Forster, is secretary of the association, and Geo. R. Pritchett, American, and F. S. Holmes, Home of New York, are the committee in charge of arrangements.

Opening New Dallas Branch

SEATTLE—W. D. Guilford, chief underwriter at the home office of General of Seattle, has gone to Dallas, where the company is opening a new branch office.

Mrs. C. C. Simpson, president, and Annette Jeffers were elected delegates of the Insurance Women's Club of Oklahoma City to the national convention at Nashville. R. N. Shepard, America Fore, spoke on additional living expense insurance.

F. B. McKibbin and J. H. Elam have opened a new agency in Indianapolis.



When you use our tested Week-by-Week solicitation plan you have before you a striking picture! A picture of your customer's present insurance protection and his actual insurance needs. Agents acclaim it everywhere.



**OHIO FARMERS
INSURANCE COMPANY**

Chartered 1848 . . Le Roy, Ohio

Williams Is Out of Running for Texas Commissioner

AUSTIN, TEX.—Twice reported out favorably by the governor's nominations committee and twice for life commissioner and chairman of the Texas board of insurance commissioners, rejected by the senate, Reuben Williams has been confirmed by the senate for membership on the Texas highway commission. Mr. Williams was first appointed casualty commissioner and was later appointed life commissioner upon the death of Walter Woodward. Governor O'Daniel has placed no new name before the senate for life commissioner.

The senate finance committee reduced the salary of the life actuary from \$4,800 to \$4,000, after Vernon Lemens and Joe Hill complained that some departmental employees are insolent and arrogant in their treatment of the public.

A proposal to increase the salary of the life commissioner to \$6,000 from the appropriation bill's \$5,000 and the \$5,600 now being paid has been defeated by the senate finance committee. The life commissioner currently is paid a \$5,000 salary plus \$600 from fees received by the license division.

Asks N. Y. Defense Survey

NEW YORK—Local defense councils throughout New York state have been directed by Governor Lehman to survey their fire fighting facilities with an especial view to protecting industrial plants against air raids.

Hill Talks to Anthracite Club

The Anthracite Field Club will meet at Wilkes-Barre April 29. Carlyle H. Hill, secretary Middle Department Rating Association, will speak on "The Lowering Trend of Fire Insurance Rates."

"Protection" Oldest House Organ

The publication "Direct Advertising" credits Travelers "Protection" with being the oldest house magazine in North America. It was first published in March of 1865 as the Travelers "Record." It has been known since 1930 as "Protection."

The second oldest house organ is the "Locomotive" of Hartford Steam Boiler which was started in 1867. "The Marylander" of Maryland Casualty is credited with being 13th, having been started in 1903.

Colonel to Address Brokers

NEW YORK—The annual dinner of the Brooklyn Brokers Association will be held May 6 with Col. Arthur V. McDermott, director of selective service New York City, as speaker. Roger C. O'Connor is arrangements chairman.

The Minneapolis Insurance Women's Association will meet April 21 when colored movies taken at the National Convention of Insurance Women at Denver last summer will be shown. Movies in Tennessee also will be shown. Delegates to the national convention in Nashville are to be named.

The inaugural dinner of the Insurance Women's Club, Tulsa, marked installation of new officers. Naomi Vickers is president. The program included talks by John Cartmill and L. M. Hallock, honorary members, and Miss Ethel Brink, retiring president.

D. D. Pritchard, who was formerly connected with Marsh & McLennan in Chicago, has become associated with George T. Scully Insurance Service representing that organization in Indiana and Illinois. His headquarters will be in the Insurance Exchange, Chicago.

E. G. Parker of the Stamping Office of Baltimore, will be guest of honor at the luncheon of the Binder Club of Baltimore, Thursday in recognition of the fact that he has completed 48 years of service with the Association of Fire Underwriters of Baltimore.

To Make Response



WILLIAM B. CALHOUN

W. B. Calhoun of Milwaukee, former president of the National Association of Insurance Agents, will give the response to the greetings at the get-together dinner of the National Association of Insurance Agents at Oakland Tuesday evening of next week. P. H. Midyette, president, will preside over the meeting. Mr. Calhoun always opens the convention Wednesday mornings by leading in the singing of "America" and closes the convention by leading in "Auld Lang Syne."

CASUALTY

Parker, Joslyn Open on Coast

Wesley Parker of the Parker, Joslyn agency in the quarters of Continental Casualty in Chicago, is opening a branch of the agency in Los Angeles.

Mr. Parker plans to spend some of his time in Chicago and the Chicago agency will continue to be managed by Phillip Parker and M. L. Joslyn.

Plan N. J. Surety "Fun-Day"

NEWARK—The annual "fun-day" of the Surety Underwriters Association of New Jersey will be held at Knoll Country Club, Boonton, N. J., June 10. The principal attraction will be the golf tournament.

Cumulative Liability in Iowa

The amendment to the Iowa law providing for cumulative liability under public official bonds has been passed and becomes operative July 4. Apparently the demand for such indemnity is growing throughout the country and many feel it should be recognized and rates determined accordingly.

B. E. Larson with General, Wash.

B. E. Larson has resigned as assistant Chicago manager of Commercial Standard to become state agent in northern Illinois for General Casualty of Seattle. He has been with Commercial Standard three years. His previous experience was with Englehard, Krogman & Co., Independent Underwriters and Geo. R. Hess & Co., all of Chicago.

C. J. Bachteler, an employee of the New York office of the United States Fidelity & Guaranty for 13 years, was killed by a subway train.

Thomas B. Hanley, 71, who some years ago served as public relations director for the Association of Casualty & Surety Executives, died at his home in Morrisville, N. Y. Earlier in life he was a member of the Pennsylvania bar, and acted as district attorney at Bloomsburg, Pa.

OBSERVATIONS

Here is a loss to make a 19th century fire insurance man turn over in his grave. An assured who carried fire and extended coverage was opening the door of his garage adjacent to his home, while a 30-mile wind was blowing. His hat was blown off his head and carried away and lost. This particular assured was one who had obeyed the injunction to read his policy. He presented a claim for \$5 for the loss of his hat on the theory that it was a windstorm loss on the premises. The insurer agreed with him and he appeared in the Easter parade with a new hat.

The death of E. T. Cairns, retired chief vice-president Fireman's Fund, has served to arouse in the minds of many thinkers the question of what is the best training in modern times for young men who are ambitious to reach top positions in fire insurance. Mr. Cairns advanced through the technical route. He started as a draughtsman in the office of the Factory Insurance Association of Hartford. He became efficient as an inspector and engineer. When he entered company service he was recog-

nized as an authority on improved risks. In time he loosened the bonds that made him a technician, he broadened in his experience, became an underwriting authority and then the second official in command of the Fireman's Fund. He did not have any field training that has been regarded as essential by many, and desirable by others as background for top officials that have to do with the insurance side of companies. For many years field training has been recognized as the door to advancement. In days gone by almost all leading executives came up from the field. Presidents today of such groups as Home of New York, America Fore, Phoenix of Hartford, Firemen's, American, National Fire, Aetna Fire, carried the grip.

Field Training Losing Its Glamor

But in later days field training has lost much of its glamor as a school for the mighty. In times past the field man was his company in his bailiwick. He was the only representative that many agents ever saw. He helped make rates, adjusted losses, did all the inspect-



where the wide-awake Phoenix-London agent sells automobile insurance.

Every day he reads newspaper reports of automobile accidents. Then, while the accident is fresh in the minds of people residing or working near that spot, the agent concentrates his selling efforts on those who already realize their need of protection.

Such timely action favorably impresses Phoenix-London service on receptive minds—makes these people better prospects for other Phoenix-London policies.

PHOENIX-LONDON Group

55 FIFTH AVENUE,
Phoenix Assurance Co., Ltd
Imperial Assurance Company
Columbia Insurance Company
United Firemen's Insurance Co.



NEW YORK CITY
The Union Marine & General
Insurance Co., Ltd.
London Guarantee & Accident
Co., Ltd.
Phoenix Indemnity Company

ing, settled points of dispute, appointed agents, collected balances and stimulated agents to greater action. In this way, he received an all-round training and it was of the type that developed self-reliant men and gave them the knowledge necessary for administration. Now the field man's duties are much more circumscribed. Specialty men have absorbed some of his duties. Bureaus make the rates. Adjustments are assigned to bureaus or independent adjusters, inspections are often made by technical men. Syndicates take many of the important risks.

Now Chosen for Salesmanship

Field men today often are chosen for their salesmanship ability. They are production men. They must be teachers in this respect. An all-round special agency salesman, if he becomes expert in the various lines his company writes, becomes a valuable man because of his knowledge, his ability in imparting it and his capacity as a teacher. Yet he lacks that varied contacts with the business that men of the older generation enjoyed. Because of this situation, the question is being asked from what source will come the executives of the future?

The other day John A. Diemand was elected president of all the North America companies. He had been executive vice-president of the Indemnity of North America. He started in the claim department of a casualty company. He advanced to the chief claim executive of the Zurich and later was called to broader executive duties. Mr. Diemand is convinced that the claim department of a casualty company is the most valuable place for a young man to serve his apprenticeship for any later work, whatever its nature. He has his own son in that line.

English System of Training

The English companies at their home offices lay particular stress on experience in accounting, statistical and analytical work. Most of the men sent here by English companies have had that sort of schooling. A president of an important company group, looking, he said, for presidential material, appointed the one he selected as comptroller, declaring that gave him a truer insight into a company's internals than any other department.

Chairman A. F. Hall of the Lincoln National Life of Ft. Wayne is firmly of the opinion that the right kind of men fit for higher executive duties should start in the actuarial department. The president of that company, some of its vice-presidents and other officials, have graduated from actuarial service. Mr. Hall takes the position that if a man has the stuff in him, ultimately he becomes more than a technician but his technical work served as a splendid school.

There has been a tendency in fire insurance to seek in the first place young men of proper school experience, give them an insight into underwriting, shift them eventually to some special department—automobile, brokerage, inland marine, improved risk, special hazards, losses, and so on. The main thought is not to allow a man to become set in concrete or too technically minded before he is transferred to broader supervisory and general administrative work.

An important question confronts company management. First it is essential to get the man and then give him the best opportunity to climb.

In discussing a revision of taxes in Illinois, Governor Green lists, among income the state now gets from various sources, insurance taxes and fees of \$14,500,000. This is over 5 percent of the total needed budget of \$258,583,228 for general purposes, and only three items in the list exceed the insurance item.

Read *Manufacturer & Insurance* by L. S. Meyers to increase your sales. Send \$3 for copy to National Underwriter.

Yacht Insurers Face Extra Hazard

Use of Boats for Coast Guard Reserve Means Extra Charge

NEW YORK—Marine underwriters face a situation of unknown potentialities in connection with yachts whose owners have signed up with the United States Coast Guard Reserve, as these boats may be called for temporary or extended active duty at any time. It is understood that most of the work which these yachts will be called upon to do will be in the nature of local patrol work, such as at regattas and other jobs for which the regular coast guard craft would be used if they were not needed in defense work.

There is no rise in yacht rates this season, the extra hazard of coast guard reserve work being taken care of by an endorsement providing for payment of an extra premium in the event of the boat's being called for this service. Since the amount of the extra hazard is impossible to determine the premiums have

not yet been fixed and will not be assessed until there has been enough experience to indicate what the extra charges should be for the various types of activity. Because the call to active duty may come suddenly and at any time it is not necessary for the owner to get in touch with the insurer immediately. If the endorsement is in the policy the extra hazard is automatically covered. However full information must be reported to the insurance company as soon as possible after the boat is requisitioned.

Need Recently Shown

One reason why the Coast Guard has been urging owners to sign up their boats and enroll themselves was shown when the government took over the vessels of Axis powers which had been sabotaged in American waters. It would have been a great help if a number of small boats had been available both for reserve duty and in the actual taking over of the sabotaged vessels. Ordinarily the owner is privileged to go along on these active duty trips but not unless he is enrolled in the Coast Guard Reserve.

As far as yacht rates in general are concerned, it is remarkable that no increase was made this season, for the cost of repairs is constantly mounting because of the shortage of labor and the

Scott Coleman Advanced to Great American Secretary

Scott Coleman, formerly assistant secretary, has now been appointed secretary of Great American. He has been with the company since 1933 and was appointed assistant secretary a year ago.

A native of Atlanta he entered the business with Georgia Fire and later was connected with a general agency at Jacksonville, Fla. He was connected with Fidelity-Phenix at the home office for a time and then was state agent of Continental in Georgia. He served as Virginia state agent for Globe & Rutgers and State of Pa. and later was in the home office of Globe & Rutgers.

price of materials due to the defense program. The latter is also causing delays but this is strictly the owner's headache, for the insurance does not cover any loss of use due to inability to get parts. It is virtually certain that there will be a rate rise next season.

The yacht insurance market has suffered by reason of many of the larger yachts being taken over by government authorities. Furthermore there has been no offset in the way of an increase in insured values on small boats, the market still being "soft."

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AS SEEN FROM CHICAGO

FINDS RAILROADS NOT LIABLE

The United States circuit court of appeals has rendered a decision that the Omaha Packing Company is not entitled to recover \$750,000 damages from three railroads, the amount of loss to the packing company's grain elevators in Chicago in 1932. The packing company contended that because of negligence the railroad bridge at 19th street over the south branch of the Chicago river could not be lifted for 30 minutes after being signalled by a fireboat and that as a consequence the flames from neighboring elevators reached the Omaha company's property. The defendant railroads were the Pennsylvania, Alton and Pittsburgh, Ft. Wayne & Chicago. The court of appeals held that under the circumstances there is no legal inference of negligence.

CRUM & FORSTER CHICAGO SETUP

J. W. Gregory, assistant manager of the western department of Crum & Forster, who has been temporarily in charge of the Cook county and brokerage department in Chicago since the resignation of R. I. Read, will continue in that capacity until a permanent successor to Mr. Read has been appointed. This announcement was made by Western Manager Fred M. Gund upon his return from a Florida vacation. Mr. Gund was in the Chicago office all last week. Crum & Forster are not prepared at this time to make an announcement as to Mr. Read's successor.

Generally Mr. Gregory has always supervised the underwriting activities of the Chicago office and will continue to do so.

Mr. Gund also announces the appointment of A. J. Smith, E. P. Wall and H. J. Brown as assistant managers in Chicago. These men have been associated with Crum & Forster for many years and will continue to supervise all underwriting details. They are well known to agents and brokers of Chicago.

RECORD YEAR FOR SALVAGE CO.

According to M. L. Brownlow, manager of the Underwriters Salvage Company of Chicago, the organization has experienced a record year. There was an increase in the number of fires in the middle west and a strong demand for the salvage goods, which made for a rapid turnover at excellent prices. An extraordinary amount of groceries was handled, along with large lots of furniture and automobile parts.

W. U. A. PARTY LEAVES FRIDAY

The "H. W. Chesley Special" en route to the annual meeting of the Western Underwriters Association at White Sulphur Springs, W. Va., will leave Chicago over the Big Four Friday at 1:45 p. m. The governing committee and some of the other committees will meet Saturday. Golfers will perform during some of the leisure hours. Inasmuch as this will be the annual meeting there will be election of officers. As is customary, C. H. Smith of Smith & Wheeler, western managers of the Hartford Fire, now president, will undoubtedly be elected for another term.

FRANK G. CARGILL WEDS

Frank G. Cargill of Chicago, executive representative of North British & Mercantile, and Mrs. Charles Clark Elrick of Chicago, a widow, were married the other day and are now on a wedding trip to Miami Beach. Mr. Cargill is most loyal gander of the Illinois Blue Goose.

ROCKWOOD COMPANY 45TH YEAR

The Rockwood Company of Chicago is planning to celebrate its 45th anniversary about May 15. A number of Travelers home office men are scheduled to attend in recognition of the fact

that the agency has represented the Travelers for 45 years. It started out as Peck & Rockwood, changing in 1914 to Rockwood-Badgerow Company when Harve W. Badgerow became partner, and about 1924 assumed its present title. There will be dinner at the Union League Club at which W. C. Butler, president of the agency, will preside. Louis P. Cain, Jr., is in charge of arrangements.

ARE EN ROUTE TO OAKLAND

DeMott Belcher and A. H. Derbyshire, assistant secretaries of the America Fore, and F. S. Ennis, advertising and publicity manager, were in Chicago this week en route to Oakland, Cal., to attend the mid-year meeting of the National Association of Insurance Agents.

WILL BE AT WHITE SULPHUR

The Uniform Printing & Supply division of Courier-Citizen Company of Chicago which purchased the business of the Uniform Printing & Supply Company, Jan. 1, will be represented at the forthcoming meeting of the Western Underwriters Association at White Sulphur Springs. Vice-president and General Manager W. B. Reilly and Vice-presidents J. F. Reilly and N. H. Wightman will be on from the east. Western Manager F. C. Hoffman, who has attended several meetings in recent years, will also be on hand leaving Chicago Friday on the special train carrying many of the insurance men.

B. P. Caldwell, Jr., assistant secretary of Underwriters Laboratories, addressed the Chicago alumni club of Sigma Chi and showed the Laboratories' sound motion picture, "Approved by the Underwriters." R. E. Vernor, Western Actuarial Bureau, introduced Mr. Caldwell.

LEGISLATION

Oklahoma 4% Tax Is Voted by House

OKLAHOMA CITY—The Oklahoma house has passed a measure increasing the annual premium tax from 2 to 4 percent.

The insurance commissioner would collect the tax of which 50 percent would be allocated and disbursed for the firemen's relief and pension fund. The remainder would be paid to the state's general fund. An emergency clause is attached.

If this measure finally becomes a statute, Oklahoma would have the highest premium tax of any state, Commissioner Read pointed out.

Foreign Company Deposit Measure Passed in Iowa

DES MOINES—Just before the Iowa legislature adjourned after a 90 day session, it passed a measure requiring foreign fire and casualty companies to deposit with the Iowa commissioner securities or bonds equal to the unearned premium reserve on Iowa policies.

Amended to Permit Surety

The measure had been amended to permit the filing of a surety bond, instead of securities, as first proposed. While officials of the foreign companies are distressed to be singled out for such treatment, the bill will work no particular hardship, being merely one more special deposit law similar to that in force in Texas, although the latter is applicable to all non-state companies.

The agents qualification bill sponsored by the Iowa Association of Insurance Agents failed to reach the senate

floor for consideration after being brought out of the insurance committee.

The state depository law was changed so that the Iowa commissioner, as receiver for an insolvent company, can act as liquidating agent to administer deposited securities. Other bills passed:

Permit insurance companies, other than life, to invest capital or funds in bonds of any solvent corporation and up to 20 percent in stock of any solvent dividend-paying corporation. Previously the 20 percent limitation also applied to bonds.

Authorize insurance commissioner to impose all charges and regulations on foreign reciprocal or inter-insurance exchanges made by other states upon Iowa's reciprocals.

Require \$10,000 bond for attorney-in-fact for reciprocals and providing subscriber accounts may be kept aggregately.

The insurance code revision bill was killed.

Governor Holding Hearing on Maryland Qualification Bill Passed by Legislature

BALTIMORE—Governor O'Connor is holding a hearing this week on the agents' qualification bill, which has passed both houses of the legislature. Representatives of the Maryland Association of Insurance Agents are attending the hearing to urge the governor to sign the measure.

Provides for Examination

The bill provides that an applicant for license as agent or broker shall satisfy the insurance commissioner that he has sufficient education or experience, and he must pass an examination.

The commissioner will determine the character of examination, which is to be given at least once a month at locations set by the commissioner.

Applicant must pay a \$5 fee, which entitles him to three examinations,

should he require that many to qualify for licensing.

Agents or brokers with licenses are not to be required to submit to an examination for a license or renewal unless license has been suspended or revoked. In this case the commissioner can require an examination before reinstatement or reissue.

The commissioner must notify the agent or broker of application denial, revocation or suspension. The agent or broker then has 30 days to appeal to a circuit court in Baltimore or in the county where he resides.

The bill does not affect life agents or those writing life and accident and health.

Wisconsin—Opposition was voiced at a hearing on a bill which would prohibit finance companies from designating the insurance carrier for purchasers of automobiles on installment contracts in refinancing an automobile loan. Assemblyman Larson said the bill would give the small agent a break and also contended it would stop the practice of having car purchasers cancel existing policies and turn them over to the finance companies. Opponents of the bill argued that insurance by the finance firms was practically automatic and was satisfactory to car dealers and to the customer.

Texas—The agency licensing bill has been passed by the senate with an amendment exempting persons in places of 3,000 population and less. The Texas Association of Insurance Agents is opposing this amendment and some of the agency leaders believe that it was inserted as a means of creating opposition, by the fundamental opponents of the bill.

The Kansas Business Development committee, working with the Kansas Association of Insurance Agents, held district meetings last week at Independence and Lyons.

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W. S. Hogsett Gives Views on Steam Boiler Exclusion Clause in Extended Cover

Wm. S. Hogsett of the law firm of Hogsett, Trippe, Depping & Houts of Kansas City, well known insurance practitioners, has set down some criticisms of the conclusions set forth in an article in the March 20 edition, pertaining to the steam boiler explosion exclusion clause.

"I disagree with it for these reasons," he states.

"1. The object of the extended coverage endorsement is to extend the coverage of the policy to include loss or damage by explosion and other hazards not covered by the standard policy. The insured pays a premium for this extended coverage. The steam boiler exclusion clause is in the nature of an exception to the extended coverage, and under familiar rules of construction will be so applied by the courts as to eliminate as little as possible from the extended coverage. In other words, the extended coverage will be construed liberally to the assured, and the exception will be construed as narrowly as its terms will reasonably permit.

Finds an Absurdity

"2. It would seem an absurdity to extend the coverage to explosion, and collect additional premium therefor, and then by an exception take away liability for many types of explosion. I think the courts would refuse to do this.

"3. I think this construction does not give due effect to the words connected therewith and operated thereby. Reading the clause as a whole, and giving what I think is the proper effect to these words, it excludes liability for loss by steam explosions, whether the explosion originates within a steam boiler, steam pipe or in a fly wheel, engine or other machinery connected with the steam boiler and operated by steam.

"4. Granting that according to the strict rules of grammatical construction, the clause is not a model of composition, and that its meaning could have been more precisely expressed, I suggest that this is no novelty in policy phraseology; and that it will have no other or greater effect than to give courts the opportunity (which they invariably embrace where possible) to construe whatever ambiguity may exist in favor of the assured."

Northwestern Mutual Year

Northwestern Mutual Fire assets totaled \$9,802,898 on Dec. 31, the statement shows. Surplus was \$2,454,536, and reserves: For losses, and adjustment expense \$520,986, for unearned premiums \$6,436,805, and to cover all other liabilities \$390,569. The assets included: Cash \$2,326,651, securities \$6,526,075; premiums in collection \$796,087. At Dec. 31 market value for all stocks and bonds owned, assets and surplus would be increased by \$160,873 to the totals: Assets \$9,963,771, surplus \$2,615,410. Northwestern Mutual paid \$2,379,162 in losses last year and \$1,463,589 dividends to policyholders. Assets increased \$823,537 and surplus increased \$225,330.

May Increase Funds

LANSING, MICH.—The Michigan house ways and means committee has introduced a bill containing an \$127,920 annual appropriation for the insurance department. Commissioner Berry had asked for appropriation double that of the \$80,000 allowed in recent years.

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Rosse Case Is Victim of Surprise Party in Marion



ROSSE CASE

Rosse Case, veteran local agent at Marion, Kan., past president of the Kansas Association of Insurance Agents, one of the most prominent spokesmen for farm writing agents in their relations with the insurance companies, was treated to a surprise party the other morning at the K. & S. Drug Store in Marion. The gathering numbered about 400 fellow townsmen.

It has long been Mr. Case's custom to stop at this drug store each morning for a fizz and hence the impresarios of the surprise party conceived the idea of staging the event there.

It was highly successful from the standpoint of everyone but the surprisee, who came to the conclusion that such popularity as he enjoys is not always a blessing. There were no testimonial speeches and no engraved plaques presented but instead a chorus of what passes in Kansas for the Bronx cheer.

Mr. Case until the day before the surprise party had a lovely big barn on the premises of his home in Marion but the day of the surprise party it was in ashes. There had been a fire and the Bronx cheers were evoked by the fact that Mr. Case was so underinsured that he will not collect enough insurance money to build a new garage. Mr. Case's townsmen who have listened for years to his stories of what a fix they would be in if they didn't have enough insurance and suffered a loss, were out for revenge. Although Mr. Case did have insurance on the barn, he had overlooked insuring some \$400 worth of fine shelving that formerly adorned his office but was stored in the barn on top of straw.

H. K. Rogers of the Western Actuarial Bureau, Chicago, visited Marion a few days later. He was taunted by Mr. Case who recalled that the Kansas State Fire Prevention Association had conducted an inspection of Marion just a few weeks before the fire and had not discovered the hazard in his barn. Mr. Rogers put an end to that argument, however, by explaining that these inspections can reveal physical hazards but not moral hazards.

Insurance of Lien Holder Entitled to Subrogation

ST. PAUL—The Minnesota supreme court held that insurance taken out by the holder of a mechanic's lien does not contribute with that carried by the owner of the property, but is entitled to subrogate against the owner and his insurer, even though the lien holder is a loss payee under the owner's insurance. The case was Nobbe vs. Equity Fire and W. C. Stanton Lumber Company.

The property was insured in Equity

Fire for \$2,500, with a loss payable clause to Stanton. Following foreclosure of the lien, Stanton insured the premises in Safeguard, for \$1,400, covering his interest only. Following a loss of \$3,629, Equity Fire paid its \$2,500 into court and Safeguard settled with Stanton for the loss to the amount of the lien, \$1,332.

In a subsequent suit, a lower court held that Safeguard was entitled to recover its payment from the funds paid by Equity Fire and rejected the claim of the owner that it should contribute toward the balance of the loss. Upholding this decision, the supreme court pointed out that Safeguard covered an

entirely different interest, so its policy was not contributing insurance, and that it should be entitled to every legal recovery Stanton would have had in the absence of insurance.

Federation Counsel Annual Meet

The Federation of Insurance Counsel will hold its annual meeting at Saranac Inn, New York, July 28-30. Beale Rollins, president of the federation, has appointed the speakers committee.

R. E. Moery has opened the Monitor Insurance Agency at Mosquero, N. M.

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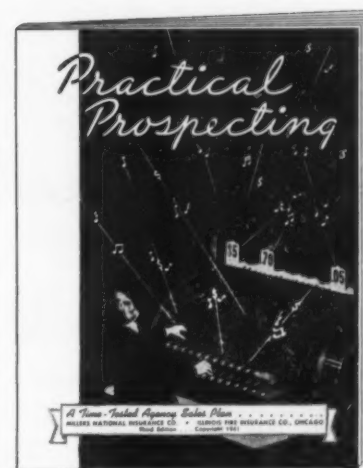
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EDITORIAL COMMENT

Gospel of Preparedness

EDITOR J. C. O'CONNOR of the Fire, Casualty & Surety Bulletins published by THE NATIONAL UNDERWRITER in his April personal letter to subscribers calls attention to the fact that a number of industrial firms which have been compelled by expanding activity have increased their premiums very much. They are using new coverages and adjusted amounts of insurance. Rising payrolls will bring still more increases after audits have been made.

Mr. O'Connor brings out the fact that this additional insurance was not presented to agents or brokers on a silver spoon. Competition is keen and there are few gifts along insurance lines.

Those that have benefited by this ex-

panding business, he said, earned it by their work through discouraging years when they fought off competition. They constantly improved their own knowledge and kept on explaining coverages and insurance needs to these same clients and now they are reaping the reward. In other words, they can take advantage of the upturn because of the work they have done in preparing themselves.

Mr. O'Connor is in close touch with many of the subscribers of the F. C. & S. Bulletins and he is gratified that the educational work that has been done by this service is now showing results through increased business. He has preached at all times the gospel of preparedness.

Injecting New Blood in Prospect Lists

M. W. MAYS, director of the Business Development Office, has been studying competition in a constructive way. Many center their whole attention in finding ways and means of meeting mutual competition and overlook other factors far more important. In fact, to make a bold statement, paradoxically speaking, producers may find themselves their chief competition.

Mr. Mays in a recent address declared that research on part of his organization discovered that there is too little understanding of one's own market and its possibilities. There is insufficient study of ways and means of securing new prospects, analyzing their insurance needs and pointing out what insurance

can do to absorb the shock of unexpected happenings.

One observation in Mr. Mays' address is particularly pertinent. There is a disposition after a goodly number of accounts are placed on the books to become static, to let the future take care of itself, to hope business will find its way voluntarily to the office. Mr. Mays asserts that new prospects, new clients are the life blood of any agency. Field men will agree with him that the first sign of decline in an agency is the lack of new accounts put on the books. It is an internal cause of decay.

The B. D. O. study brings out the fact that few agencies have well defined methods of locating new prospects.

Improvement in School Methods

It is gratifying to note the gradual improvement in educational methods pursued by the state associations of insurance agents in conducting their short term, intensive schools. This school system is new to the business. It originated just a few years ago when the Florida association started a school. Agents are not primarily educators. They do not understand pedagogy. Hence the first experiments were crude and disjointed. There was not much evidence of educational technique from the professional standpoint but that was to be expected.

These so-called schools have multiplied and have become well patronized. That reveals the interest of the agents and shows their desire to become better informed and more service giving. Why

should not insurance men return to school for clinical and post graduate work? Why should they not keep abreast with the changing order of the times. It is most encouraging to see the spirit of the men who are selling insurance.

As time has gone on and different states have experimented with school procedure, the methods have become more scientific and to a certain extent standardized. Experimentation has brought out mistakes as well as desirable processes.

One of the most obvious improvements is the cutting down on the number of subjects taught and the confining of the curriculum to a more circumscribed field. At first there was a tendency to cram every possible subject

into a two or three days school. There was too much food to be properly assimilated. The result was a more or less confused mind.

Now those handling the schools have consulted professional school men with the result that fewer subjects are explored but they receive far more attention. It has been found that the schools should have a definite time program, say five years, so that during that

period most of the subjects in which agents are chiefly concerned can be treated. It is far more advantageous to hit hard on one subject and master it than to get a smattering of twelve.

By curtailing the course and giving more time to a few subjects, agents are able to obtain more working knowledge and hence will be far better prepared to utilize it in their work-a-day life of selling and servicing insurance.

PERSONAL SIDE OF THE BUSINESS

Edward H. Kellogg of Evanston, Ill., son of **Howard D. Kellogg** and Mrs. Kellogg of Peoria, Mr. Kellogg being head of the Tobias-Kellogg Company, will be married May 17 to Miss Katharine E. Brothers, daughter of Judge and Mrs. W. V. Brothers of the Chicago suburb. The wedding ceremony will be held at St. Mark's Episcopal Church and the reception thereafter at the Glen View Country Club. Howard D. Kellogg, Jr., of New York City will be best man for his brother. Another brother, Charles H. Kellogg of St. Louis, will be an usher.

Stuart Ragland, well known local agent at Richmond, Va., will be signally honored Friday evening of this week when the Richmond area council Boy Scouts of America will pay homage to him and O. W. Gay, scoutmasters. Mr. Ragland has taken a prominent part in the Scout movement.

The **Babson Park (Fla.)** Board of Fire, Casualty & Marine Underwriters has been celebrating a number of wedding anniversaries and therefore the social machinery has been going at high gear. The latest big event was that of the 50th wedding anniversary of Mr. and Mrs. John Florida Stafford. Hugh R. Loudon will celebrate his 50th anniversary Aug. 4. Fred W. Bowers will hold forth on Dec. 24. It is significant that these three old settlers at one time traveled in Missouri and resided in St. Louis. This was in the gay 90's. The eminent trio after all these years has come together in retirement, all having been company executives since their early field days. The only other field man of distinction residing in Babson Park, who is acting as best man for the other three, is W. M. Higley, who was formerly state agent of the Hanover in Minnesota.

L. T. Stubbs, superintendent of agencies and Oklahoma state agent of the Central States Fire, who underwent a serious operation in Wesley Hospital, Wichita, is doing nicely and may be permitted to go home within the week but probably will not be able to return to his desk before June 1.

J. W. Kinsinger, general counsel of Midwest Life, and **J. D. Iverson**, local agent, are the two nominees for mayor of Lincoln, Neb., named at the recent primary. The election is in May.

R. C. Walker, Indiana state agent of Liverpool group, is in St. Vincent Hospital, Indianapolis, following an emergency operation for appendicitis.

Lyle M. Jefferies of Clinton, president Iowa Association of Insurance Agents, suffered minor injuries in an automobile accident in which his machine turned

over. Mr. Jefferies was not hospitalized by the accident and his injuries were not considered as serious.

DEATHS

George C. Stevens, 72, head of the insurance brokers firm of Cornwall & Stevens, and for six years prior to 1938 associated with S. B. Hopps as United States general agents of Pearl, died at West Palm Beach, Fla., following a short illness. He had been in the insurance business since 1885, being first employed by the brokerage house of P. C. Ralli & Co., New York. Later he became a member of the firm of Samuels, Cornwall & Stevens, the title of which was changed to Cornwall & Stevens on the death of Mr. Samuels.

The firm specialized in handling insurance requirements of cotton seed oil mills, controlling many such lines throughout the south. It managed and still does, Lloyds, New York, one of the few individual underwriting concerns operating in this country. In 1932, in association with Mr. Hopps, Mr. Stevens traveled to London, and secured the United States representation of Pearl, a connection that was terminated Dec. 31, 1938. Mr. Stevens then returned to his brokerage affiliation.

Highly successful in business affairs, Mr. Stevens maintained homes in Quogue, L. I., Lynchburg, Va., Hobe, Fla., and New York. Surviving are his wife, three married daughters, a son, Leighton B. Stevens, manager of the brokerage department of Pearl, and two sisters. His only brother, Sidney, who died several years ago, represented a leading British company as Puerto Rico manager.

John R. Martin, 67, adjuster in Cleveland for the Home, died at the home of his son, Dr. John E. Martin, in Columbus, after a six-month illness.

Mr. Martin was born in Mechanicsburg, O., and came from a family long connected with insurance. He was a branch manager of Underwriters Adjusting when he joined Home as staff adjuster in Columbus, O., in 1923. Two years later he was transferred to the Cleveland service office as staff adjuster, the position which he had held ever since.

J. L. King, 76, loss auditor of the Retail Lumbermen's Inter-insurance Exchange, Minneapolis, died there. He had been in the insurance business in Minneapolis since 1885 when he entered the employ of the old Gale agency.



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Later he was with the old rating bureau and for a time was special agent of the Pennsylvania Fire.

Mrs. Archibald Kemp, whose husband is senior vice-president of Firemen's, in charge of underwriting, died at her home in Maplewood, N. J., after a brief illness. Funeral services were held in Maplewood and interment was at Rosehill cemetery, Chicago.

H. M. Huntsberger, 64, special agent of American National Fire, died in Columbus, O., from coronary thrombosis. He had been ill only two or three days. He joined American National about 1916 and covered eastern and southern Ohio.

W. W. Pipes, 82, an insurance agent in the Pittsburgh district for many years, died at his home in Verona, Pa., Pittsburgh suburb.

C. B. Collum, 76, local agent in Cleveland for 35 years, died from pneumonia. Following funeral services, his ashes were scattered over Lake Erie from an airplane.

F. A. Lincoln, 82, with the Beach & Sweet general agency in Providence, R. I., for more than 40 years until his retirement in 1938, died following a long illness.

Richard H. Morris, former president of Philadelphia Manufacturers Mutual Fire, one of the factory mutual companies, died at his home in Philadelphia after a year's illness. He had been connected with Philadelphia Manufacturers since 1895.

F. J. Lake, 79, one of the founders and a former president of the Minnesota Implement Mutual Fire of Owatonna is dead. He was vice-president at the time of his death.

J. E. Boring, 70, local agent at Crooksville, O., died there. He had been ill two months.

W. A. Lillyquist, 57, president Farmers State Bank of Lisbon, N. D., and local agent there, died in a Fargo hospital. He had suffered from a heart ailment for several years.

Convention Dates

April 21-24, National Association of Insurance Agents (mid-year), Oakland, Cal., Oakland Hotel.

April 22-23, Western Underwriters Association, White Sulphur Springs, W. Va., Greenbrier Hotel.

April 23—Tri-State Blue Goose, Sioux City, Ia.

April 23-26, American Mutual Alliance, White Sulphur Springs, W. Va., Greenbrier Hotel.

April 24-25, Insurance Accounting & Statistical Association, Chicago, Edgewater Beach Hotel.

April 28-May 1, U. S. Chamber of Commerce, Washington, D. C.

May 4-6, North Carolina Association of Insurance Agents, Pinehurst, Carolina Hotel.

May 5-6, Insurance Division, American Management Association, Hotel Astor, New York.

May 6-7, Nebraska Association of Insurance Agents, Omaha, Fontenelle Hotel.

May 8-9, Alabama agents, Birmingham, Tutwiler hotel.

May 9, Pacific Board, Del Monte, Cal.

May 11-15, Insurance Div., Natl. Assn. of Credit Men, Jung Hotel, New Orleans.

May 12-13, New York Agents, Syracuse Hotel, Syracuse.

May 12-13, Indiana Insurance school, Bloomington.

May 12-14, National Association Independent Adjusters, Dallas, Baker Hotel.

May 12-16, National Fire Protection Association, Toronto, Royal York Hotel.

May 14-16, Texas Association of Insurance Agents, Dallas, Adolphus Hotel.

May 15, Ohio agents (mid-year), Columbus, Neil House.

May 15, Insurance Advertising Conference, New York, Roosevelt Hotel.

May 15-16, Casualty Actuarial Society, Trinity College, Hartford, spring meeting.

May 16-17, Arkansas agents, Hot Springs, Arlington Hotel.

May 16-17, Oklahoma agents, Oklahoma City, Skirvin Hotel.

May 21-22, Bureau of Personal Accident & Health Und., Carmel Country Club, Carmel, N. Y.

May 22-24, Virginia Association of Insurance Agents, Roanoke, Roanoke Hotel.

May 22-23, Georgia Agents, Valdosta.

May 22-24, Mississippi agents, Edgewater Park.

May 27-28, National Board, New York, Waldorf-Astoria.

May 28-29, South Dakota Agents, Sioux Falls, Carpenter Hotel.

May 28-30, Industrial Insurers Conference, Richmond, John Marshall Hotel.

June 3-5—Health & Accident Under-

writers Conference annual meeting, Edgewater Beach Hotel, Chicago.

June 3-4, Tennessee school, University of Tennessee, Knoxville.

June 3-4, Pennsylvania Insurance Days, Bethlehem, Bethlehem Hotel.

June 4-5, Missouri Fire Underwriters Association, Rockaway Beach, Hotel Taneycomo.

June 4-6, Western Insurance Bureau, Hot Springs, Va., Homestead hotel.

June 9-11, National Association of Insurance Commissioners, Detroit, Statler Hotel.

June 10-12, Kentucky field groups, Mammoth Cave.

June 5-6, South Carolina agents, Greenville, Polinsett Hotel.

June 16-18, Southeastern Underwriters Assn., Greenbrier Hotel, White Sulphur Springs, W. Va.

June 18-20, Wisconsin Field Groups, Green Lake, Lawsonia Hotel.

June 19-20, Kentucky agents, Louisville, Brown Hotel.

June 16-20, Special Libraries Assn., Annual Meeting, Hartford.

June 19-20, Illinois Fire Underwriters Association, Lake Delavan, Wis., Lake Lawn Hotel.

June 19-20, Florida agents, Jacksonville, George Washington Hotel.

June 20-22, National Association of Insurance Women, Nashville, Andrew Jackson Hotel.

June 23-25, National A. & H. Association, Los Angeles, Biltmore Hotel.

June 25, Connecticut Association of Insurance Agents (mid-year), Groton, Griswold Hotel.

June 25-27, New England Associations of Insurance Agents, New London, Griswold Hotel.

June 26-27, Tennessee agents, Nashville.

June 28-30, International Federation of Commercial Travelers Insurance Organizations, Bretton Woods, N. H., Mt. Washington Hotel.

July 1-2, Indiana Fire Underwriters Association, Lake Wawasee, Spink-Wawasee hotel.

July 28-30, Federation of Insurance Counsel, Saranac Inn, N. Y.

July 14-15—Alabama Agents' School, University of Ala.

Aug. 26-28, Blue Goose grand nest, Asheville, N. C.

Aug. 18-19—Montana Agents, Billings.

Sept. 3-5, International Association of Insurance Counsel, White Sulphur Springs, W. Va., Greenbrier hotel.

Sept. 8-9, Insurance Advertising Conference, Hershey, Pa., Hotel Hershey.

Sept. 8-10, International Claim Asso-

Scruggs Urges Agents to Be Full Cover Operators

Stuart B. Scruggs in his presidential message at the meeting of the American Association of Insurance General Agents said that the main problems confronting the American agency system today are compensation to recording agents, dividend paying companies, pool operations, multiplicity of general agents operating in restricted areas and branch office operations. All of these situations, he said, tend to break down the agency system and to reduce the possible income to the recording agent and the general agent.

In order to offset rate reductions in the fire insurance lines, the general agents have been compelled to seek opportunities elsewhere. For a number of years, he pointed out, the fire companies have shown an increase in volume of automobile, inland marine and miscellaneous coverages. The fire and windstorm premiums represent only a little more than 60 percent of their total premiums. Of the total possible volume, including casualty, fire and windstorm represents only slightly over 30 percent. It is up to the representative agent and general agent to acquaint the public with all of the coverages that are available. Insurance organizations that undertake to pick and choose profitable business only and pay high commissions for it or give dividends to assured, he contended, do not offer complete insurance protection.

Atlantic City, Ambassador Hotel.

Sept. 11-12—Michigan Agents, Grand Rapids, Hotel Pantlind.

Sept. 11-13, Minnesota agents, Rochester.

Sept. 24-26, Kansas agents, Salina.

Oct. 6-9, Joint casualty convention, White Sulphur Springs, Greenbrier Hotel.

Oct. 13-16, National Association of Insurance Agents, Kansas City, Muehlebach Hotel.

Oct. 13-16, Missouri Association of Insurance Agents, Kansas City, in conjunction with National association.

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The NATIONAL UNDERWRITER

April 17, 1941

CASUALTY AND SURETY SECTION

Page Seventeen

Rash of Easy-Pay Plans Seen in Wake of N. Y. Auto Law

Lower-Income Motorists Likely Market; Department Frowns on Some Schemes

NEW YORK—A rash of premium finance plans and limited coverage liability plans, ranging from comparatively sensible to strictly screwball, can be expected to break out, once New York state motorists appreciate the seriousness of remaining uninsured under the new Page-Anderson law, which if signed by the governor will go into effect next Jan. 1. The New York department even under the old law, is constantly having presented to it a wide variety of schemes designed to snare the dollars of motorists who would like to buy insurance but can't afford to lay out the full annual premium or even meet the requirements of installment plans which spread the payments over a six-month period.

It is among the limited coverage plans—limited either as to time or as to mileage—that the hopeful promoters reach their most fantastic heights. One plan was to permit gas stations to sell a motorist coverage which would protect him approximately as long as the gasoline he was buying would last him. A promoter had such a plan worked out with one of the major oil companies but the department frowned on it first because it would fail to give a standard policy to each buyer and, more important, would violate the agency law of the state unless each gas station attendant were licensed as an agent, which would of course be out of the question.

Slot Machine Plan Offered

Another plan, which was designed to get around these obstacles, involved slot machines to be set up in gas stations. The policy requirement would be taken care of by having the machine issue a miniature facsimile of the policy which would be automatically dated as it issued from the machine. However the miniature policy would not meet the department's legal classifications as to type size. Furthermore, while the promoter contended persuasively that neither the oil company nor the station attendant should be considered agents, the department felt that they would be aiding in the sale of insurance and hence taking part in the sale to an extent sufficient to be unlawful.

Promoters of these schemes for selling insurance to cover occasional use of a car, such as for a trip are aiming mainly at the market represented by motorists who feel that it is wise to insure against the concentrated hazard of extra use of the car but are inclined to minimize the hazard of trips within a short radius of home, in much the

(CONTINUED ON PAGE 26)

Lloyd of Ohio Asks Hobbs Bills Defeat

Hits "Exemptions" in One, SEC Control in Other—Interesting Angles Seen

Superintendent Lloyd of Ohio has written a letter to members of Congress urging them, on behalf of the insurance-buying public, to oppose the two Hobbs bills relating to the use of the mails in regard to the soliciting, selling and writing of insurance.

One of the measures, which is quite similar to those introduced by Congressman Hobbs at previous sessions, is attacked by the Ohio superintendent primarily on the score of the exceptions in it, which include reinsurance, church and denominational corporations, fraternal, educational groups, marine insurance, commercial traveling men's associations and group insurance.

"The purpose of this measure may be quite laudable," said Superintendent Lloyd, "but the exemptions destroy its use in preventing non-admitted carriers from mulcting the public. Every category listed in the exemptions is covered by requirements for supervision in the Ohio statutes."

"Exempt" Organizations Not Satisfied

As a matter of fact, some of the organizations which apparently would be exempted are far from being satisfied with its provisions. In the life field, the Presbyterian Ministers Fund of Philadelphia, the oldest life insurer in the country, which operates solely by mail, has expressed fears that it would be put out of business entirely if the bill were passed. So far as the traveling men's associations operating in the accident and health field are concerned, while the exemption section specifically excepts them, in a later section defining the terms used in the bill, it is stated that traveling men's association shall be construed to apply only to those operating on the lodge system. This would make it applicable to only two organizations, United Commercial Travelers and Travelers Protective Association.

SEC Licensing Is Alternative

The alternative bill would allow insurers operating by mail to obtain licenses from the SEC on presenting proof of financial solvency and evidence that an adequate amount of the funds received is used for payment of claims.

This bill, Mr. Lloyd says, "is a very dangerous proposal and, if enacted, would result in untold damage through swindle, to the people of the country. In brief, it provides that insurance companies which are so weak, or crooked, or dangerous that state insurance departments will not license them, can obtain licenses from the SEC and sell insurance throughout the country by mail. We protest against this bill on behalf of the people of Ohio. They are entitled to protection from the type of insurance company this bill seeks to legalize."

The two bills, he adds, "while apparently intended to correct an evil, would, in fact, extend the evil and give it the blessing and sanction of federal law."

One suggestion that has been made

(CONTINUED ON PAGE 26)

Sentiment Grows in Conn. for N. H. Law

Insurers, Legislators Confer on Plans to Protect Highway Accident Victims

HARTFORD—There have been several compulsory automobile insurance bills as well as bills concerning the financial responsibility of motorists introduced at the present session of the Connecticut legislature. It has opened up the whole subject of reimbursing victims of highway accidents and a suggestion was made to Senator Warncke by Representative VanRiper as to a plan that would provide for financial protection to the innocent victims of highway accidents.

Sen. Warncke then proceeded to invite representatives of Hartford insurance companies to discuss the merits of such a plan.

No bill has actually been filed and it is just an idea that is being discussed on its merits. The plan is to add an additional 1 cent tax on gasoline that would provide a fund of several million dollars that would then be used to purchase blanket insurance on all registered motor vehicles in the state. This fund would then be turned over to a group of insurance companies that would be willing to underwrite such a blanket policy.

An alternate plan is to have a fund created from operators' license fees that would insure all cars on the highway, which fund is to be administered by the motor vehicle department without any participation, insofar as the basic limits are concerned, by any insurance companies.

At the conference the insurance companies were definitely not enthusiastic about any such plan and indicated that they were in favor of the New Hampshire financial responsibility act and felt that it should be given a trial in Connecticut. At present, there is a growing demand upon the part of some legislators for a complete compulsory insurance law which will probably not pass. However, there does seem to be a good possibility that the New Hampshire financial responsibility act may gain enough favor by the end of the session to bring about its passage.

Kansas Casualty Leaders for 1940 Are Listed

	Premis. 1940	Premis. 1939
1. Hartford Acl.	\$425,497	\$355,142
2. State F. Mut. Ill.	384,543	293,645
State Farm Life	34,172	765
3. Travelers Indem.	359,315	340,809
4. Travelers	340,404	281,919
5. Mut. Ben. H. & A.	326,367	308,535
United Ben. Life	1,832	1,461
6. Employers Mut. Cas.	307,482	249,773
7. Maryland Cas.	299,292	234,375
8. U. S. F. & G.	288,835	216,000
9. Aetna Cas.	285,752	274,262
Aetna Life	90,127	74,231
10. Continental Cas.	273,044	249,081
National Cas.	58,933	59,572
11. Central Surety	233,820	195,277
12. Western Cas. & S.	229,835	278,023
13. Fidelity & Cas.	204,369	203,796
14. National Mut. Cas.	204,163	133,352
15. Employers Liab.	198,430	179,662
American Empl.	64,717	63,019

R. F. C. Injects New Problems Into Bond Underwriting

Sureties Agree to Give Up Customary Rights on Defense Projects

The requirements of the Reconstruction Finance Corporation have introduced some new and unfavorable factors into the underwriting of bonds for contractors and manufacturers that receive defense contracts. The requirements apparently differ from case to case but they all have a tendency to deprive the surety of its normal rights. However, it is understood, the RFC and the Surety Association have arrived at an understanding of what their respective rights shall be.

The RFC is aiding in the financing of a number of defense projects. Usually the RFC makes funds available to a local bank and that bank makes the loan and administers it. Sometimes the local bank has an actual partial interest in the loan.

The RFC under these circumstances requires that the surety execute an agreement whereunder the monthly estimates and any other sums due the contractor or manufacturer are assigned to the bank, which in turn supervises the allocation of that money between payment of bills, liquidation of loan, etc. That means that the bank and the RFC would enjoy the position of preferred creditor in respect of sums that might ordinarily go direct to the surety.

Subrogation Agreement

After the surety has taken over a contract, however, it would receive all moneys due but just prior to the failure of a contractor or manufacturer it is quite possible that the bank would have come into funds that it would not have gotten had there been no assignment.

Moreover, the surety companies have consented to a subrogation agreement whereunder the surety is given the right to use the facilities of the plant in completing a contract, but the plant itself goes to the bank and the RFC for satisfaction of the loan. The RFC takes a general chattel mortgage from all borrowers.

The surety companies are not happy about this situation. Not only are they deprived of their customary rights but the rates that they are getting are extremely low and after passing off much of the business by way of reinsurance and paying commission to agents the individual company finds that it has a very small sum to compensate it for the extra labor involved in handling these complicated situations. Some surety companies feel that the most profitable course would be to refrain from originating much business and get most of their premium by way of reinsurance.

Control of Excess of N. Y. Shifts; Winans to Be President

Casualty Reinsurer to Be Jointly Managed with Excess Underwriters

Excess of New York, the casualty reinsurer, hereafter is to be operated in close association with Excess Underwriters of New York which operates the reinsurance department of Security Mutual Casualty of Chicago and a number of mutual fire companies. The two en-



JOSEPH P. GIBSON, JR.

terprises will be jointly operated under the supervision of Joseph P. Gibson, Jr., who is president of Excess Underwriters.

Frank F. Winans, chairman of Excess Underwriters, will be the new president of Excess and George L. Mallery, until recently president and now chairman of Security Mutual Casualty, will be elected chairman of Excess.

Until recently, Robert N. Rose was president of Excess. He is now executive vice-president of Manufacturers Casualty.

The question of control of Excess has been uncertain for some time. M. Daniel Maggin had been an important factor, and he states that some of those associated with him in holding the control block of stock of Excess decided they would rather sell out at this point.

The name of James S. Kemper, president of Lumbermen's Mutual Casualty, has been mentioned in connection with the transaction. Mr. Winans states that Mr. Kemper's interest is merely that of an intermediary and that he has no interest in the operation of Excess. No announcement is made as to the identity of the new owners.

Mr. Kemper in 1935 was instrumental in placing Mr. Winans into Excess Underwriters. Mr. Winans was at one time president of the Chicago Association of Commerce and was western manager of the old National City Company of New York. He was president of Excess Underwriters in 1935 and 1936, and then became chairman. He is a director of Wabash Screen Door Company of Chicago, W. B. Conkey Company, Hammond, Ind., and a trustee of the Wendel Foundation of New York.

Mr. Gibson is well posted on all phases of casualty insurance, both direct and reinsurance. His first work was with Federal Mutual Liability of Bos-

(CONTINUED ON LAST PAGE)

N. Y. Insistence on Comp. for Jockeys May Cripple Tracks

NEW YORK—The state labor department's insistence on strict enforcement of the workmen's compensation law at the horse-racing stables this year may keep from the tracks hundreds of cheap horses which are necessary to fill claiming events, an important part of practically every program. Many small owners cannot afford the high premium, about 9½ percent of payroll with a \$157 minimum. The labor department's move is the climax of gradual pressure that has been brought to bear in the last two years.

That the law will be rigidly enforced by the labor department was made clear when representatives of the Jockey Community Fund & Guild queried the labor department to ascertain whether or not the measure would protect them as they were protected by racing associations in Florida and Maryland. In those states jockeys threatened to strike unless they were fully insured by the association against injury and death.

N. Y. Law Broad

The labor department assured them that the law protected them in New York as well as the tracks protected them in those two states. They were informed that they were insured every time they accepted a mount; that no horse was going into any competition whose owner did not carry insurance covering every man, boy and jockey in his employ, even though the jockey was the owner's employe only 15 minutes a year.

The boys were informed that in case of accidents they would receive cost of hospitalization, \$25 a week while incapacitated, and \$5,000 would go to their estates in case of death.

The New York racing associations immediately issued a joint statement saying that they would "pay, under appropriate circumstances, various benefits to jockeys while riding at the tracks." This, however, did not mean that the associations were planning to take out insurance, but would pay from their own fund should the jockey be injured or killed.

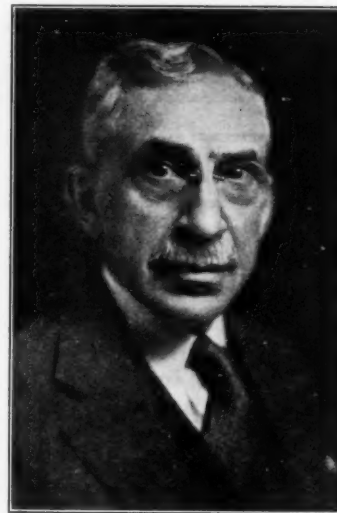
The majority of owners of cheap horses argue that they haven't enough money to buy insurance for their regular and part-time employes, including jockeys who ride for them only a few times a year. Such insurance, they say, is expensive, being approximately 9½ percent of their payroll with a minimum of \$157 for a complete stable, whether they employ one or 10 persons. Because they contend they cannot raise that amount they plan to campaign in other states where there is no such enforcement of the law or where all insurance is paid by the racing association.

Contend Insurers Missing Opportunity

The New York associations are deeply concerned over the ruling and have taken the stand that they doubt whether tracks have an insurable interest in jockeys. That is why they issued the statement saying that they would compensate for any injuries to jockeys. They realize that if they lose the entries of a score of stables containing 10 or 12 horses each, as well as those from the one- and two-horse outfits, there will be a shortage and they will be unable to fill their programs. They argue that the mortality rate is not particularly high and that with the strict enforcement of safety measures at the tracks racing is not as hazardous as it is commonly believed to be. They feel the insurance companies are missing a great opportunity by not lowering rates and going after this line of coverage.

Most of the prominent jockeys have been covered for several years, in that they have been under contract to

"Uncle Edson's" New Book Will Be Autobiography



EDSON S. LOTT

Montross & Clarke Company, 30 Ferry street, New York City, will soon bring out a book by Edson S. Lott, chairman of the board of the U. S. Casualty, entitled "A Penn Yan Boy." This is an autobiography and will make most interesting reading matter. Mr. Lott is affectionately known as "Uncle Edson" and was born in Penn Yan, N. Y. He has had a colorful career. He is one of the oldtimers still in the business who had a close touch with the business during his entire career. He is a pungent, salty writer. In the book he tells of his numerous contacts, acquaintances, and his views of the business as it progressed. He was born in 1856. Perhaps no one could write with such knowledge and experience as Mr. Lott. The price of the book is \$1.50.

Mutual Officials Round Table Discussions Next Week

The American Mutual Alliance spring meeting at White Sulphur Springs, W. Va., will be in the nature of a round table discussion rather than have any set speeches. A number will arrive next Wednesday but the conferences will not start until Thursday morning. J. H. R. Timanus, secretary of the Philadelphia Contributionship, will preside over the fire insurance conference; C. N. Jacobs, president Hardware Mutual Casualty of Stevens Point, Wis., will have charge of the casualty section, and H. G. Kemper, executive vice-president of the Lumbermen's Mutual Casualty, will be chairman of the automobile discussion group.

Standard Accident Headquarters

Standard Accident will maintain headquarters at the mid-year meeting of the National Association of Insurance Agents at Oakland, Cal., in Rooms 458 and 460 at the Hotel Oakland. In attendance will be J. S. Richardson, resident vice-president at San Francisco; H. A. White, superintendent of agents from the home office; Charles C. Bowen, president, and R. H. Platts, vice-president.

wealthy owners who have been taking out stable insurance for all employes. The insurance, however, covers them only when injured on one of the contract owner's horses, either in trial or contest. In case of injury while riding another man's horse, responsibility is placed on the owner of the particular mount. Some of the big stables have paid out close to \$100,000 since the workmen's compensation law was passed and extended to the tracks.

Graduated Expense Likely to Be No. 1 Topic at Oakland

Necessities of Defense Program Focus Attention on Vital Issue

NEW YORK—Great interest is being centered on the meeting of the committee on graduated company expenses and commissions, over which Ralph W. Howe, Richmond, Va., will preside as chairman, next Monday afternoon and evening at the mid-year meeting of the National Association of Insurance Agents at Oakland. State delegations, national councillors and any others interested have been invited to make appointments with the committee to discuss the problem.

Both agents and company men feel that something should be done, as the underwriting of national defense contracts has focussed attention on what are termed "unjustifiable" premiums on large risks. They feel it is necessary to work out a plan to meet the general and special situations brought about in the interest of the national defense program.

Action Started in Buffalo

When the executive committee of the National association met in Buffalo last fall it authorized the appointment of a committee to make a study of the whole agency compensation question as it applied to casualty and surety affairs. Some months passed before the committee appointments were announced and not much has been forthcoming as to the progress it has made.

Some company men have been advocating a move in this direction for about 10 years, and more recently a few have gone so far as to discuss it in talks made before state association meetings. Agents have opposed it on the grounds that it was unfair to bring about rate reductions for competitive purposes by subtracting all, or practically all, of the reduction from the agent's compensation. The companies' expense allowance, they contend, should be cut in proportion to the acquisition allowance.

Agents Are More Receptive

However, with the feeling that the companies are willing to cooperate and contribute to the reduction in cost, agents are assuming a more receptive attitude. Both factions agree that a modification of rate-making procedure is inevitable, but just how it will be accomplished is yet to be decided.

Several states have recognized the principle of expense gradation, although many feel that the process has not been carried through to the degree which is warranted by proper consideration of the actual costs involved. In Massachusetts the gradation starts at \$5,000, whereas in Maine it starts at \$2,000. Under the proposal considered in New York the gradation starts at \$1,000 with a further reduction applicable to premiums in excess of \$5,000. The New York plan is not yet in effect, but it is expected that it will be on July 1. In their opinion this represents only the beginning and that there should be an extension of this principle to all states where compensation insurance is in effect.

Says Agents' Fears Groundless

The company men contend that the agents' fear that the expense graduation plan is only the beginning of a reduction of all commissions is groundless. They say that any graduation would have to

(CONTINUED ON PAGE 27)

CASUALTY NET PREMIUMS AND PAID LOSSES IN 1940 IN KANSAS

	Total Premiums	Total Losses	Auto. Liab. Premiums	Auto. Liab. Losses	Other Liab. Premiums	Other Liab. Losses	Wcrk. Comp. Premiums	Wcrk. Comp. Losses	Fidelity-Surety Premiums	Fidelity-Surety Losses	Plate Glass Premiums	Plate Glass Losses	Burglary-Theft Premiums	Burglary-Theft Losses	Prop. D. & Coll. Premiums	Prop. D. & Coll. Losses
Acci. & Cas.	1,659	232	877	113	289	113	289	33,854	39,677	3,994	4,770	2,445	87	1,153	394	232
Aetna Cas.	285,752	75,180	84,867	15,250	36,171	3,023	76,550	33,854	39,677	3,994	4,770	2,445	10,936	1,153	30,659	14,917
Aetna Life	90,127	55,992			14		—18									
Alliance Mut. Cas.	141,005	45,567	46,200	8,958	1,713	165									46,854	18,336
Allstate	15,423	4,223	11,635	3,583											3,787	840
Amer. Auto.	134,414	44,485	99,733	27,910											34,681	16,577
Amer. Employ.	64,717	17,637	21,422	8,465	4,354	477	19,432	4,941	5,526	—96	1,216	584	3,067	341	8,229	2,740
Amer. Fid. & Cas.	32,307	23,685	26,290	18,365											6,017	6,320
Amer. Guar. & Liab.	54								54							
Amer. Ind.	38,336	24,299	16,695	14,763	255						931	232	1,312	207	12,287	6,281
Amer. Motorists	9,161	3,926	2,199	987	41		5,940	1,861							177	693
Amer. Mut. Liab.	62,998	42,439	6,263	1,152	3,588	2,528	48,636	34,955	250						4,262	3,893
Amer. Sur.	101,352	27,767	6,825	7,000	2,637	983	6,504	8,745	75,962	8,684	720	339	5,613	297	8,091	1,720
Anchor Cas.	83		59												24	
Arex Ind.	31				1		30									
Assoc. Indem.	59,259	29,842	12,686	2,239	2,513	13	36,251	25,229	802		610	385	388		5,775	1,886
Bankers Indem.	1,724	1,108	599		58		665	21					84		246	92
Bituminous Cas.	145,315	81,942			12,097	192	130,056	81,324							3,162	426
Car & General	697	4	343		67		58	4							128	
Cas. Ind. Exch.	2,325	2			2,325	2										
Cas. Recip. Exch.	68,276	34,821	24,087	4,807	2,738	4,563	29,206	22,366							10,476	2,662
Celina Mut. Cas.	4,311	354	1,923												1,418	263
Central Mut. Cas.	27,074	17,978	11,260	8,411							799	84			8,963	5,760
Central Surety	233,820	84,341	96,542	32,549	12,691	2,236	44,422	16,879	33,404	12,567	7,120	2,922	5,942	321	22,836	16,816
Century Ind.	38,290	20,391	14,004	7,290	891	12	4,250	822	3,175	—61	193	64	1,528	940	5,590	4,695
Columbia Cas.	—186	3,851	1,526	360	—7,593	311	2,056	1,907	1,453	923	170	59	563	66	674	123
Comm. Cas.	30,290	6,212	16,309	1,096	1,076	181	176		999		966	515	1,109	66	1,137	569
Commercial Standard	86,061	43,781	48,768	22,332	1,016		5,841	7,354			2,084	428	1,810	518	22,300	10,364
Conn. Ind.	26,269	8,409	19,165	4,424	9										7,095	3,985
Consolidated Und.	147,410	69,438	15,032	2,582	3,866	1,021	115,356	62,615							8,107	2,379
Continental Cas.	273,044	102,555	53,586	16,392	15,642	916	48,893	19,990	23,987	14	1,525	622	9,442	477	20,309	8,346
Eagle Ind.	17,124	6,629	8,587	1,314	517		2,502	3,212	878	—24	232	346	750	21	3,510	1,737
Employers Cas.	162,362	63,608	42,327	17,775	5,134	2,061	80,667	23,154			2,281	1,259	1,089	164	23,375	15,868
Employers Liab.	198,630	111,352	50,503	13,392	22,066	2,852	87,844	35,293	6,366	70	1,588	299	5,036	743	20,925	7,896
Employ. Mut. Cas.	307,482	113,617	115,333	20,120	12,997	199	47,613	34,320			1,011	523			84,747	39,983
Employ. Mut. Liab.	162,170	81,079	9,025	5,314	12,870	4,456	132,507	65,523			28	69	—20		7,760	5,717
Employ. Reins.	80,957	17,900	50,194	9,286	4,018	3,209	3,599		13,236	549	65		1,929		3,629	2,118
Equity Mut.	41,420	22,062	12,956	8,269	710		10,529	6,683	7,353	2,158	647	384	59		9,165	4,563
Europ. Gen. Re.	67,219	24,936	14,259	3,817	3,274		1,943	603	33,872	16,576			5,237	141	1,846	
Excess	7,814	1,719	2,686	1,750	81		1,417		1,664	—192			420	162	1,546	
Farmers Auto. Cal.	195,509	77,272	75,881	21,710											86,531	40,636
Farm Bur. Mut.	163,892	71,879	60,938	16,882											80,692	42,924
Fidelity & Cas.	204,369	92,723	45,483	10,793	15,534	1,341	77,577	54,711	25,772	7,465	2,345	836	6,481	793	17,457	12,371
Fidelity & Deposit	101,378	14,275							96,106	13,863	697	207	4,575	206		
Fireman's Fund Ind.	20,175	12,093	4,911	7,776	844	125	5,026	2,650	6,266		406	190	595	110	1,914	1,311
General Acci.	80,883	39,017	12,237	3,840	6,198	563	24,083	8,052			775	162	1,197	575	5,123	1,344
General Cas. Wash.	4,968	72	2,279		570		520				142		615		828	73
General Reins.	43,347	16,035	25,045	2,225			1,499	6,893	676	40	40		2,086	7	979	
Glens Falls Ind.	30,090	4,067	7,678	178	2,776	67	2,008	660	3,167	—136	1,061	243	2,626	620	3,247	2,411
Globe Ind.	45,280	9,243	15,605	3,239	4,253	12	9,198	5,206	7,254	—1,383	103	31	334		5,990	2,023
Great Amer. Ind.	24,512	8,512	7,101	2,915	1,539	10	7,354	3,879	3,960	79	58	22	1,119	62	3,085	1,543
Hardware Indem.	217	18	213												103	18
Hardware Mut. Cas.	153,887	57,273	62,108	19,766	6,660	633	40,345	15,596	52,945	5,822	3,729	560	1,945	675	39,100	20,043
Hartford Acci. & Ind.	425,497	115,688	121,161	16,107	34,650	9,116	132,857	58,244	52,945	5,822	5,013	1,511	12,367	2,133	45,757	18,551
Hawkeye Cas.	62,276	1,045	34,019												21,738	826
Home Ind.	25,879	3,231	15,996	1,421	1,509	24			627		1,258	427	883	178	5,602	1,186
Home Mut. of Iowa.	105,682	44,315	55,977	22,727											40,426	17,696
Indem. of No. Amer.	69,074	20,052	27,415	11,825	3,091	231	6,800	2,734	7,366	557	830	115	2,129	142	10,339	4,321
Inland Bonding	232								232							
Insurers Ind., Okla.	17,587	13,561	6,112	7,043	490	3	8,109	4,713			13		156	235	2,703	1,562
Iowa Mut.	47,793	15,267	17,919	1,943	635	5	2,423	1,828							17,043	8,524
Kansas Bankers Sur.	87,509	14,331							87,509	14,331						
Liberty Mut.	130,271	47,285	8,605	1,130	13,714	1,787	101,603	42,781	155		78	233	543		5,538	1,355
London Guar.	26,424	7,127	9,112	1,210	2,595	2,093	5,927	1,187			1,118	399	1,082	271	3,632	1,141
London & Lanc.	19,909	3,985	9,444	1,452	1,236	45	34		459		489	273	875	24	3,503	840
Lumberm. Mut. Cas.	147,511	66,909	29,546	14,671	11,887	4,500	87,054	42,612	308		203	260	618	110	17,035	4,768
Mfrs. Cas.	81	7,768	29	7,768	36		11				—1				7	
Mfrs. & Whlrs Ind.	33,699	12,551	15,964	8,810	2,303										10,223	2,408
Maryland Cas.	299,292	104,448	57,311	18,394	20,625	14,785	75,180	37,522	47,815	6,127	8,896	1,171	9,723	1,765	20,763	8,255
Mass. Bonding	137,101	62,455	33,287	30,700	4,996	255	31,746	11,767	34,913	5,754	2,411	809	2,796	221	12,420	5,588
Medical Protect.	24,398	11,919			24,398	11,919										
Mercer Cas.	22,501	13,071	9,569	6,881	140						1,772	700			6,466	2,401
Metropolitan Cas.	7,742	1,821	2,712	110	409	150	54		793	—23	697	141	979	1,136	244	73
Mo. Auto. Club.	7,606	1,606	3,489	550											2,585	882
National Cas.	58,933	22,006	14,522	3,564			2,662	1,243	1,312		238	71	1,171	136	5,160	2,064
National Mut. Cas.	204,163	54,956	86,861	20,307	2,357		56,387	21,940							51,241	9,542
National Sur.	120,086	37,602							84,048	32,603	824					
New Amsterdam Cas.	24,892	10,318	2,555	2	450		9,872	5,621	3,896	1,320	495		489	2,317	1,505	280
N. Y. Cas.	35,561	15,408	8,282	12,470	939	45	1,259	275	18,494	947	1,359	497	1,898	132	3,299	1,041
Northwest Cas.	7,890	2,142	4,121	175	195						13		330		2,422	1,780
N. W. Natl. Cas.	996		703												270	
Occidental Ind.	13,886	2,712	2,254		5,955	1,413	4,656	1,186	1,221		586		1,986		1,117	110
Ocean Acci.	44,081	24,386	8,419	593	5,199	301	15,072	14,125	1,093	6	523	326	1,578	499	3,940	89
Ohio Cas.	98,920	40,707	48,750	24,066	2,944	47	59		3,780	32	4,885	1,475			25,680	11,258
Pacific Empl.	1,918	133			54		1,865	133								
Phoenix Ind.	144,288	30,408	69,191													

(CONT'D FROM PRECEDING PAGE)

	Total		Auto. Liab.		Other Liab.		Work. Comp.		Fidelity-Surety		Plate Glass		Burglary-Theft		Prop. D. & Coll.	
	Premia.	Losses	Premia.	Losses	Premia.	Losses	Premia.	Losses	Premia.	Losses	Premia.	Losses	Premia.	Losses	Premia.	Losses
Royal Ind.	30,445	11,991	8,430	5,269	1,806	.....	9,149	5,796	5,278	—116	415	17	245	.....	3,238	963
St. Paul-Merc. Ind.	123,749	48,666	55,492	21,557	8,221	839	22,517	14,456	9,441	392	3,671	1,036	3,549	642	20,751	9,844
Seaboard Sur.	5,278	.....	.....	.....	.....	.....	.....	.....	5,278	.....	.....	.....	.....	.....	.....	.....
Security Mut. Cas.	46,027	16,874	2,920	19	5,227	500	35,322	16,326	.....	.....	.....	.....	.....	.....	2,541	30
Shelby Mut.	2,284	1,599	.....	.....	81	.....	.....	.....	.....	.....	2,038	1,599	165	.....	.....	.....
Standard Accel.	103,683	62,956	17,825	5,080	7,004	145	41,728	23,185	17,187	29,391	413	6	1,474	84	8,234	2,232
Standard Sur. & Cas.	5,391	1,551	2,608	44	24	.....	34	919	1,126	—16	16	.....	899	.....	1,008	572
State Auto. Mut.	2,119	897	1,074	6	—1	.....	.....	.....	.....	.....	.....	.....	.....	.....	740	772
State Auto. Ia.	57,383	12,725	26,528	1,541	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	21,541	7,748
State Farm Mut.	384,643	175,736	167,487	49,081	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	181,833	100,336
Sun Ind.	23,723	13,407	9,621	6,185	1,228	42	3,579	1,432	1,753	.....	791	418	1,357	3	5,229	5,327
Traders & Gen.	20,612	10,872	1,681	106	3,299	200	13,750	8,936	.....	.....	67	29	48	.....	1,415	1,457
Travelers	340,404	178,318	7,877	5,415	11,168	4,965	58,995	37,398	.....	.....	.....	.....	.....	.....	44,203	22,272
Travelers Indemnity	359,315	97,575	116,789	28,003	29,058	989	121,510	39,323	2,036	.....	4,575	1,400	17,729	2,593	33,317	16,885
Trinity Universal	92,682	32,114	36,562	7,158	941	.....	.....	.....	3,911	.....	1,812	696	1,446	627	788	1,121
United States Cas.	7,784	8,928	2,288	6,840	750	.....	3,345	970	107	.....	.....	.....	.....	.....	22,202	9,566
U. S. F. & G.	288,855	81,972	50,041	11,218	18,256	2,480	78,966	46,107	100,354	6,218	4,564	1,917	8,943	3,824	596	192
U. S. Guar.	27,981	2,534	1,002	15	552	.....	28	.....	25,106	2,328	5	.....	84	.....	227	.....
Utilities	767	.....	539	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	37,295	15,150
Western Cas. & Sur.	229,835	63,610	90,412	25,349	18,026	924	32,302	18,076	42,894	2,055	5,185	1,437	3,931	618	14	.....
Yorkshire Ind.	923	.....	.....	.....	12	.....	.....	.....	897	.....	.....	.....	.....	.....	11,660	9,405
Zurich	121,960	76,526	24,198	14,545	6,215	2,675	46,213	36,099	.....	.....	331	132	1,305	361	1,435,204	646,123
Total, 1940	10,956,915*	4,463,818*	2,676,098	797,974	466,194	94,368	2,136,821	1,100,223	975,157	173,444	89,292	32,383	203,606	31,947	1,300,625	468,221
Total, 1939	10,151,512	3,954,065	2,510,203	837,085	462,556	87,466	1,128,437	1,128,437	908,709	141,714	90,459	31,376	219,831	126,485	1,300,625	468,221

*Includes totals of classes shown in accompanying tables and auto fire, theft, etc., of full cover companies.

Other Casualty Business in Kansas in 1940

ACCIDENT AND HEALTH		STEAM BOILER, ENGINE & MACHINERY	
	Premia. Losses		Premia. Losses
Aetna Cas.	439	Amer. Employ.	841 73
Aetna Life	90,131 55,993	Amer. Motorists	803 385
Amer. Employ.	632 112	Columbia Cas.	603
Amer. Savings Life	41,677 26,863	Continental Cas.	545 8
Bankers Ind.	72	Eagle Ind.	39
Benefit Assn. Ry. Empl.	112,385 76,209	Employ. Liab.	2,329 590
Business Men's Assn.	123,963 85,049	Europ. Gen. Re.	489
Central Surety	663	Fidelity & Cas.	8,913 1,390
Century Ind.	8,661 6,629	General Accel.	69
Columbia Cas.	263 101	General Reins.	293
Columbian Natl. Life	11,314 6,748	Globe Indem.	1,834
Columbus Mut. Life	271	Hartford St. B.	57,016 3,537
Commercial Cas.	8,517 2,785	London Guar.	671 368
Conn. Gen. Life	7,041 5,072	Lumbermen's Mut. Cas.	280
Continental Cas.	99,117 55,789	Maryland Cas.	43,660 294
Eagle Indem.	110 22	Ocean Accel.	5,624 1,286
Employ. Liab.	1,974 218	Phoenix Ind.	2,411
Employ. Mut. Cas.	3,426 89	Royal Ind.	1,465
Employ. Reins.	4,297 2,842	Security Mut. Cas.	1
Equitable Life, N. Y.	65,576 27,820	Travelers Indem.	13,314 2,995
European Gen'l Re.	6,298 3,630		
Federal Life	22,007 7,870	Total, 1940	141,273 10,926
Federal Life & Cas.	30,250 11,221	Total, 1939	110,451 6,960
Fidelity & Cas.	4,857 3,030		
Fireman's Fund Ind.	214 21	SPRINKLER LEAKAGE & WATER DAMAGE	
General Accel.	31,202 24,481		
General Amer. Life	22,932 14,580	Aetna Cas.	1,681 547
General Cas. Wash.	23 23	Maryland Cas.	499 30
General Reins.	3,907 13,353		
Glens Falls Ind.	1,514 23	Total, 1940	21,180 577
Globe Ind.	710 126	Total, 1939	2,419 451
Great Amer. Ind.	296 3		
Great North. Life	17,567 7,419	CREDIT	
Hartford Accel.	20,746 3,915		
Home Ind.	4	American Credit	13,912 1,184
Ill. Bankers Life	14,314 9,883	Employ. Reins.	—11 —105
Ind. of No. Amer.	1,104 126	European Gen. Re.	—170
Inter State Bus. Men's	23,972 9,086	London Guar. & Accel.	1,427 —119
John Hancock Mut.	16,835 17,789		
Liberty Mut.	35	Total, 1940	15,328 1,130
London Guar.	859 586	Total, 1939	21,504 11,823
London & Lanc.	3,869 1,351		
Lumbermen's Mut. Cas.	529		
Maryland Cas.	19,832 16,106		
Mass. Bonding	13,530 7,370		
Mass. Prot. Assn.	187,721 109,517		
Metropolitan Cas.	1,854 86		
Metropolitan Life	133,903 95,303		
Midwest Life	6,602 1,930		
Missouri Ins.	63,275 24,922		
Monarch Life	10,057 7,128		
Mut. Ben. H. & A.	326,367 176,898		
National Cas.	58,933 22,006		
Natl. Life & Accel.	183,265 83,925		
Natl. Travelers Cas.	4,428 1,582		
New Amsterdam Cas.	631 578		
No. Amer. Accel.	50,817 21,056		
Northern Life	937 2		
Occidental Ind.	610		
Occidental Life	11,684 4,664		
Ocean Accel.	3,232 7,162		
Order of Railway Empl.	28,816 12,589		
Pacific Mut. Life	114,424 53,480		
Paul Revere Life	42,863 22,254		
Phoenix Ind.	4,460 784		
Preferred Accel.	2,872 10,613		
Protective Indem.	42		
Provident L. & A.	34,903 15,231		
Pyramid Life	14,415 8,190		
Reliable Life	12,097 8,607		
Royal Ind.	421 63		
St. Paul Merc. Ind.	208		
*Security L. & A.	1,913 1,169		
Security Mut. Cas.	18		
Standard Accel.	9,817 2,833		
Standard Sur. & Cas.	175 33		
State Farm Life	34,172 8,000		
Sun Ind.	166		
Travelers	262,366 130,539		
United Benefit Life	1,832 476		
U. S. Cas.	446 3		
U. S. F. & G.	5,533 641		
U. S. Guar.	610 1		
Washington Natl.	60,118 30,765		
Western Cas. & Sur.	269		
Woodmen Accel.	38,435 17,193		
Woodmen Cent. Health.	7,524 3,806		
Zurich	32,037 13,309		
Total, 1940	2,565,463	\$1,395,763	
Total, 1939	2,312,231	1,111,501	

*Formerly Colorado Life.

LIVE STOCK

Alliance Mut. Cas.	926	404
Total, 1940	926	404
Total, 1939	547	175

Two New Indiana Specials

B. J. Gaunt and E. L. Martin have been appointed special agents of Aetna Casualty in Indianapolis. Both have completed several months of intensive

training in branch office, home office and local agency work.

Miller Succeeds Browder

LOS ANGELES—L. L. Miller has been appointed superintendent of the compensation safety engineering department of the Pacific Employers to succeed the late J. E. Browder.

Eaton with Standard S. & C.

Frank R. Eaton has been appointed manager at Albany for Standard Surety & Casualty. He has had a number of years experience with Travelers and Indemnity of North America.

Move Miss. Office to Jackson

Mississippi offices of the United States Fidelity & Guaranty will soon be moved from Meridian to Jackson. A branch will be maintained at Meridian.

SURETY

Surety Always Willing to Weigh Application for Bond

The agent passing on requests for surety bonds should always bear in mind that companies will at least always consider the request. C. F. Schmidt, adjuster U. S. F. & G., Milwaukee, told the Insurance Women of Milwaukee at a dinner meeting. A bond is an effort to fill a need of individuals or businesses and, theoretically at least, given a sufficient premium, any bond conceivable and legal could be written. Too often an agent passing upon a bond request passes it off as impossible when to the company it would not be. Covering the subject of surety bonds in a general way, Mr. Schmidt went on to trace their history from Anglo-Saxon time to the present.

Surety Sales Heaviest in January, Experience Shows

January is the month of opportunity for the sale of the important surety lines, a graph in the latest issue of the "Casualty & Surety Journal" indicates. This chart, reflecting the composite experience of member companies in the Association of Casualty & Surety Executives, indicates the three largest months for the various lines. In January the largest sales of individual, bankers blanket, brokers blanket, commercial blanket, public officials, and license and permit bonds were recorded. The second highest totals of contract and miscellaneous bonds were recorded in this month.

April proved itself the most advantageous of all for the sale of miscellaneous bonds while in June, as well as in January, the high mark in license and permit bonds was reached. July and

December prove themselves generally favorable for the sale of all lines while the highest recording of contract bond sales took place in October.

The article stated, however, that bonds are sold every month in the year and that sales in some lines fluctuate little from month to month. The presence or absence in the various states of legislative factors or peculiar local conditions do much to influence the results in the case of the individual salesman, as does the extent of personal soliciting in any given month.

PERSONALS

Barney J. Nietschmann, resident manager of National Surety in Chicago, broke into the ranks of grandfathers this week with the birth of Barney J., IV, at Peoria. The parents are Mr. Nietschmann's son and his wife. The son is assistant manager of Travelers in the Peoria branch. Formerly for a time he was associated with his father in National Surety. Barney IV is a lusty youngster of eight pounds, and according to grandpa has the makings of a fine surety man.

Frank C. McVicar, secretary of Hartford Accident, has been visiting the Los Angeles branch.

DEATHS

H. C. French, 74, who had represented the Travelers for 33 years in Cleveland, died at the Ohio Masonic Home in Springfield, O.

Dr. Horace C. Lyman, prominent industrial surgeon of Chicago, who for many years has done a great deal of work for insurance companies, being rated as a brilliant surgeon, died by suffocation in his home due to fire in a bedroom. He was past secretary Chicago Society of Industrial Medicine & Surgery and a fellow of the American College of Surgeons.

R. C. Mains, 62, for many years with Lumbermen's Mutual Casualty, died at his home in Watertown, Mass.

Virginia Auto Hearing Deferred

RICHMOND—The automobile rate hearing scheduled to be held before the Virginia corporation commission April 10 was carried over to April 16. A special committee on automobile rates of the Virginia Association of Insurance Agents was present at the hearing. At these hearings, held annually, the commission fixes rates for automobile liability and property damage coverage. Last year there was a substantial reduction in rates in some instances.

Get Non-Resident Agency & Brokerage Laws. \$1. National Underwriter.

NEWS OF THE CASUALTY COMPANIES

Continental Casualty New Financing Goes Splendidly: Cost Is Thus at Minimum

Financial circles are greatly impressed with the success of Continental Casualty in selling its 100,000 additional shares. Right to exercise warrants expired April 12 and on that date 94,159 shares had been subscribed for through the exercise of warrants. The remaining 5,841 shares are to be purchased by the underwriting group headed by Glore, Forgan & Co. and Blair, Bonner & Co. This was regarded as a remarkable achievement.

Just a few days after the warrants were sent out there was a bad break in the market generally and some feared that this would embarrass the Continental Casualty's program. But it seemed to have had little effect. Perhaps if there had been no break, however, there would have been no shares left over for the underwriters.

Brokers Create Demand

The brokerage houses comprising the underwriting group had been talking up Continental Casualty with their customers on the theory that they would have quite a supply of this stock. That undoubtedly has created a demand for Continental stock that will bring about a healthy market condition.

A large number of shareholders sold their rights which probably means that a number of new stockholders appear on the books.

When the rights were first issued they sold up as high as \$1.05, but when the break in the market came they dropped off substantially and there were some sold for as low as 28 cents.

The fact that there was such a large subscription means that the cost of the financing program to Continental Casualty will be at the minimum. The stock houses are to receive a minimum commission of \$62,500. If the aggregate number of shares which the underwriters had become obligated to purchase had been more than 10,000 but not more than 25,000, the underwriters would have received an additional commission of \$1 per share. If the underwriters had been obligated to purchase in the aggregate more than 25,000 shares, they would have received a commission of \$1.50 in addition to the minimum.

Proceeds Are \$2,437,500

The proceeds to Continental Casualty will be \$2,437,500 under the circumstances.

Stockholders of Continental Casualty were given the privilege of purchasing one new share at \$25 for each four shares of old stock held. The par value is \$5, so that capital now becomes \$2,500,000 and net surplus is increased by nearly \$2,000,000.

Continental Casualty stock this week was selling at better than \$29.

Hogle Named Vice-president of Empire Mutual

J. M. Hogle, well known Chicago casualty man, has been appointed vice-president of Empire Mutual of that city, in charge of underwriting. He formerly was connected with Highway Mutual Casualty.

Empire Mutual will move April 21 to its new executive home office building at 2424 North Cicero avenue. The main office force and departments will be located on the main floor and the executive offices on the mezzanine. The quarters have been planned to allow for expansion of facilities and personnel as the business increases. Fred F. Husum, treasurer, early this month was advanced to president. Empire Mutual writes exclusively automobile insurance.

A. W. Lindroth, former president, re-

mains in a production capacity. Empire Mutual was an outgrowth of the old Central Mutual of Chicago.

Mr. Hogle has had 24 years' insurance experience, having been connected with Ocean Accident, then Chicago resident manager of American Employers, and later assistant branch manager of Union Indemnity in Chicago. Then he formed the J. M. Hogle Agency, of which he was president. After several years, he withdrew his interest to

become vice-president and general manager of Highway Mutual Casualty.

Great Central Has Special Drive

Great Central Mutual of Peoria, Ill., which specializes in burglary insurance, has put out an illustrated pamphlet as part of the promotional material in support of the birthday month drive during April. It contains views of the new home office quarters that were occupied in February, pictures of President James S. Flanigan, Treasurer Elmo Kuecks and General Counsel C. D. Kitchell. The annual statement figures are set

forth, showing assets \$60,564, premium reserve \$8,960, claim reserve \$6,429, guarantee fund \$25,000 and net surplus \$18,747. Premium income last year was \$120,242. There were 1,523 claims paid for a total of \$26,598.

Aetna Casualty Men in Milwaukee

MILWAUKEE—About 100 representatives of the Aetna Casualty attended an agency meeting here, arranged by A. L. Wortmann, Milwaukee manager. C. G. Hallowell, vice-president; Edward Knapp, agency secretary, and several home office field supervisors spoke.



The consistent growth of Central Surety is evidence that sound management policies administered by a progressive and thoroughly experienced underwriting staff are attractive to agents.

CENTRAL SURETY AND INSURANCE CORPORATION

HOME OFFICE KANSAS CITY, MISSOURI

R. E. McGINNIS, PRESIDENT

SAN FRANCISCO

• CHICAGO

• NEW YORK

Mutual Surplus Bill Is Considered

BOSTON—Consideration was given measures limiting the surplus of mutual liability companies by the Massachusetts legislature's insurance committee. Counsel J. P. Sullivan, Associated Merchants Mutual Casualty; L. P. Henry, American Mutual Liability and J. W. Cronin, Liberty Mutual, said they were agreeable to a surplus limitation of 4 percent based on insurance in force computed by the aggregate amount of maximum liabilities numerically specified in outstanding policies, except workmen's compensation, where it would be based on aggregate payrolls.

Commissioner Harrington predicted many administrative difficulties in determining liabilities. J. W. Downs, counsel Insurance Federation, opposed the bill.

E. S. Oppenheimer, manager Associated Agents & Brokers, which sponsored the original bill, held a surplus limitation would do away with unfair competition.

Sets 25 Percent Limit

The bill provides a mutual casualty company may accumulate and maintain a surplus only up to an amount equal to 25 percent of the average, for the preceding five years of the annual gross premium income, less all premiums on policies written but cancelled or not taken in that same year, and all dividends returned or credited to policyholders in that same year, as shown by the annual statements, or up to \$1,000,000, whichever is greater.

Mutual companies pay no tax to the federal government, it was stated, although stock companies must pay a 20 percent tax on excess profits and in addition citizens pay a 6 percent tax on income from stock dividends.

A. D. Cronin, speaking for the Brokers Association of Massachusetts, declared the claim of the Liberty Mutual that it paid so promptly the courts did not have to be resorted to was not borne out by the facts, since the average of court cases for 10 mutual casualty companies in Massachusetts was 10.2 while the Liberty Mutual percentage was 16.2.

Charges Further Discrimination

Mr. Cronin stated there was further discrimination and unfair competition in the plan of the Liberty Mutual of forming groups of risks. The company had 12 groups, he said, with aggregate premiums of \$8,000,000, on which it paid dividends of 41.17 percent, although the 200,000 other policyholders in the same company only received 20 percent dividends. One great risk, he stated he had heard rumored, received a dividend of over 60 percent.

Comparing taxation of stock and mutual companies, Mr. Cronin stated a stock company with a premium income of \$37,500,000 and profit of \$5,960,000 paid a federal tax of \$891,000 as compared with a mutual casualty company with a premium income of \$40,000,000 and profit of \$11,133,000, which paid a federal tax of only \$8,425.

Standard Accident Opens New Buffalo Branch Office

Effective May 1, the Standard Accident will move its Syracuse branch office to Buffalo, which will hereafter be known as the Buffalo branch office. The Buffalo office will be located in the Marine Trust building. No change is made in the territory formerly developed and serviced by the Syracuse branch. G. S. Hildebrandt, who has been manager of the Syracuse office, will be the manager of the new Buffalo branch. C. E. Yorton will be office manager, F. M. Hause, superintendent of the bonding department, R. W. Keeler, safety engineer, and E. J. Shearen, special agent. All held similar positions in the Syracuse branch.

Standard Accident's present claim office at Syracuse will continue there,

as will also E. A. Thompson, special agent, who handles eastern New York State under the jurisdiction of the Buffalo office.

The Buffalo branch office will serve all of the New York territory west of Albany. This is the same territory formerly supervised by Syracuse.

Armstrong-Roth-Cady Company, who has represented the Standard so successfully for a period of 55 years, will continue as heretofore to develop and service their sub-agents in Buffalo and surrounding counties.

Indianapolis A. & H. Club Adopts Reorganization Plan

INDIANAPOLIS—The Indianapolis Accident & Health Club has launched a general reorganization program.

A constitutional amendment to provide for admission of producing agents as associate members was approved. These associate members will include local agents and representatives in other towns of the state which are too small to support an association. Out-of-city men will, however, be loosely joined in an "A. & H. Circle" of their own.

The present charter membership, composed of local managers and general agents, has been divided into a "working organization" which will meet twice a month to plan and report progress on individual committee projects.

Membership, with two divisions, city, to secure associate memberships among local accident and health agents, and state, to secure associate memberships and organize "A. & H. Circles" in other cities and towns.

Education, to set up a 12-month program for local club, to include panels, round-tables, lectures and talks by key local men; arrange for accident and health courses in state universities; promote educational program of National association.

Public relations, to secure representation by local club members in all city and state health and safety organizations; arrange for speakers before all city luncheon clubs, parent-teacher groups, community groups and on programs of all fire, casualty and other insurance gatherings; and publicity.

Seek to Disbar Chicago Attorney

The Chicago Bar Association, acting as commissioner of the Illinois supreme court, has filed a recommendation in Springfield that Murphy O. Tate, Chicago claim attorney, be disbarred. The complaint charged Tate with solicitation of personal injury cases in violation of the legal canon of ethics in eight cases during the last two years.

Mr. Tate is well known to the claim departments of casualty companies as one of the most active and shrewd plaintiff attorneys in personal injury cases in the city. In 1937, he was found not guilty of participation in an ambulance chasing racket in connection with a street car accident.

Employers, Ala., Has Meeting

BIRMINGHAM, ALA.—A two-day agency convention of Employers of Alabama was held here. Awards were made in an agents' contest. President W. H. Hoover announced that 1940 was the best in the 18 years' history of the company. He said his company wrote 41 percent of all compensation written in Alabama in 1940 and that more new business was added the first quarter of 1941 than for all of the preceding year.

Standard Accident is participating in a series of radio programs sponsored by the pedestrian protection committee of the city traffic engineer's office of Detroit. The program is known as the "Curbstone Quiz" and interviews passersby. The programs on April 7 and April 14 were contributed by Standard.

Ruling Minor Is Guest Not Expected to Affect Laws

A recent decision in the Indiana appellate court that a child under 7 was not bound by the automobile guest law of the state may not be such an abridgment of the guest law as appeared on first report. The Indiana case was Fuller vs. Thrun. The parents left the child in the care of the defendant, who took her for a ride. There was an accident and the child was injured. In sustaining a verdict against the driver, the court said the girl, being under the age of 7 years, was a person conclusively presumed to be non sui juris and, therefore, incapable in law of accepting defendant's invitation and hospitality. The parents' consent to the ride had not been given.

Purpose of the guest laws, enacted in a great many states, is to repress collusive suits between friends or members of a family over automobile accidents, where the car is insured against liability. The Indiana case has enough peculiarities so that it is not necessarily a precedent for interfamily suits, although it may be seized upon as a precedent by courts that are unfriendly to the guest law.

Heavy Loss to War Risk Pool

Exact information is still lacking on the American Cargo War Risk Reinsurance Exchange loss on the Greek steamer "Petalli," which was bombed while being loaded in Piraeus harbor, but the original figure of \$3,000,000 is probably not far from correct. There is hope that some of the cargo may not have been loaded at the time of sinking. On the other hand there is a chance that the loss may prove heavier than \$3,000,000. None of the cargo aboard the ship can be salvaged.

With the "Petalli" loss and a number of smaller war risk claims since the first of the year it would not be surprising if the war risk pool wound up the current year with a loss, as contrasted with the favorable experience of 1940. Rates to the Near East have recently been raised but with values of cargoes running as high as \$7,000,000 in a single ship it is impossible to pitch the rates at levels which will accurately reflect the hazard and permit the companies to come out at least even unless the war continues for several years.

Big Coverage on Russian Boat

Insurance totaling approximately \$1,350,000 was carried on the Russian government's freighter "Vazlaw Vorovsky," which was recently wrecked off Cape Disappointment on the Pacific Coast. The coverage was placed with the Black Sea & Baltic General of London, which is owned by the Russian government, by Moore-McCormack Lines, shipping agent of Amtorg, Russian trading agency.

The loss will be virtually total, according to Amtorg.

Its representative has tried to get police protection for some of the cargo,

consisting of boxed lard, which washed ashore near Astoria, Ore., and which beachcombers eagerly snapped up and disposed of.

A large part of the coverage was reinsured with Gosstrach, Russian insurance monopoly. None of the risk was placed in London Lloyds, except perhaps a small percentage through reinsurance.

N. Y. Casualty and Surety Rally

NEW YORK—More than 800 attended the annual spring dinner Tuesday of the Casualty & Surety Club of New York, this being the largest turnout ever reported by the club. A beefsteak dinner was served, followed by boxing exhibitions arranged by the Amateur Athletic Union.

J. E. Lewis, vice-president of Aetna Casualty, president, presided. A. L. Carr, vice-president of National Surety, was master of ceremonies. Mr. Carr and Eugene L. Breen, Aetna Casualty, were in charge of arrangements.

Bank Insurance Forum Meets

BROOKLYN—The Savings Bank Insurance Forum, made up of insurance buyers for savings banks in Brooklyn and surrounding Long Island counties, held a round table discussion on insurance legislation that was passed in the 1941 session of the New York legislature. Also, educational plans for the forum's 1941-1942 program were presented. Charles Kipp, assistant cashier in charge of insurance for the Lincoln Savings Bank, Brooklyn, chairman, presided.

Accident-Health Is Stabilizer

PHILADELPHIA—George Goodwin, secretary of Connecticut General Life, told the April meeting of the Accident & Health Association of Philadelphia that accident and health insurance stabilizes an agent's income and prevents disastrous slumps in depression periods.

Bank Boosts Insurance

The American National Bank of Indianapolis is now carrying advertising in the Indianapolis newspapers captioned "Discounting Adversity" which is a tribute to insurance agents and insurance in general.

"The wisdom of discounting adversity is not the product of foresight alone," the advertisement reads. "Each individual still tends to believe that he above others will escape a catastrophe. For this reason, most insurance must be sold, not bought. The constructive efforts of insurance agents and representatives are immensely effective in keeping the majority of Americans armed against unforeseen events."

In starting to build up an automobile accident volume with the idea of using it as an opening wedge for other personal accident business and other coverages, it is an excellent idea to solicit first all present automobile liability policyholders.

EXCEPTIONAL OPPORTUNITY

for

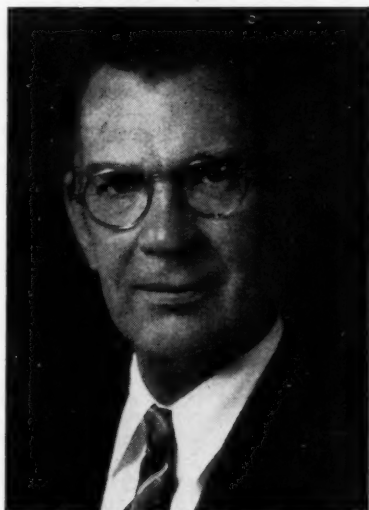
COMPENSATION UNDERWRITER

with company experience

To head department in Middlewest Division Branch Office of large company.

Requires high type man of long experience. State qualifications, age, if married. Replies will be held in strictest confidence and should be directed to N-19, The National Underwriter, 175 West Jackson Blvd., Chicago, Ill.

Heads Detroit Committee for Commissioners Rally



CHARLES C. BOWEN

Charles C. Bowen, who has been appointed general chairman of the Detroit group to arrange local details for the convention of the National Association of Insurance Commissioners there in June, is president of Standard Accident.

Iowa Mutual Correction

In the showing of Iowa Mutual Liability in the 1941 Argus Casualty Chart an unfortunate mixup in average ratios occurred.

Figures appearing in the Argus Chart show the 10 year average ratio of expenses incurred to premiums written of 53.6 and a combined loss and expense ratio for the 10 years of 108.8. Actually the first ratio is that of losses incurred to premiums written instead of expenses incurred to premiums written and that mistake was carried into the combined loss and expense ratio.

The correct figures are 40.2 for the ratio of expenses incurred to premiums written and the combined loss and expense ratio for the 10 years should be 95.4.

Other Mo. Casualty Figures

THE NATIONAL UNDERWRITER has now secured the Missouri casualty experience of Employers Mutual Liability of Wisconsin, and these figures should be added to the totals for the state as published in the April 10 edition. Total premiums written by the company in 1940 in Missouri amounted to \$734,166, bringing the total for the state to \$30,973,701. Losses amounted to \$313,867 for a state total of \$13,862,357. Premiums and losses for the company by lines are reported as follows: auto liability, \$122,994 and \$44,620; other liability, \$80,539 and \$24,100; workmen's compensation, \$484,028 and \$228,882; plate glass, \$964 and \$636; burglary and theft, \$685; auto property damage \$27,336 and \$9,433; auto collision, \$7,139 and \$3,493, and other P. D. and collision, \$10,477 and \$2,699.

Safety Conference in Seattle

The 1941 meeting of the Western Safety Conference, organized in San Francisco in 1935 with B. G. Wills, vice-president of Fireman's Fund, as chairman, will be held in Seattle, Sept. 22-26.

Stewart Talks to Buyers

KANSAS CITY—The insured buyers' conference of the Associated Industries of Missouri heard Leslie A. Stewart, superintendent compensation and liability department, Central Surety, on retrospective and experience rating of compensation at a luncheon meeting this week. Missouri just recently approved

use of retrospective rating, and experience rating has been in effect only since the first of the year.

Mr. Stewart also talked to the insured members conference of the Associated Industries of Missouri at St. Joseph, April 16.

Tower Mutual Assessment Upheld

The court of appeals of Hamilton county, O., has upheld the decision of the common pleas court in the case in which Commissioner Lloyd sought to levy an assessment against the Cincin-

nati Checker Cab Co., as a policyholder in the Tower Mutual, which the department took over. The cab company sought to offset the assessment by unpaid claims. The court held that even if the contract between the insurance company and the cab company, which was cancelled, did not make the cab company liable, the Ohio law did. It says the cab company must find its remedy by resort to the assets of the insurer, augmented by assessments made for the benefit of the cab company and all others in the creditor class. It held

that any other course would be unfair to other creditors.

National Surety Milwaukee Rally

MILWAUKEE—F. D. Madden, Milwaukee manager National Surety, conducted a sales conference here for Wisconsin agents, with 35 in attendance. Vincent Cullen, president, and Sherman Drake, vice-president, spoke.

New agents find National Underwriter training courses invaluable in mastering the business. Write for information on your line.

The AUTO LIABILITY POLICY



Keeps Going Places

1938 · 1939 · 1940 · 1941

THE past few years have witnessed many notable improvements in automobile liability coverage. The contract as it is today offers the broadest protection yet made available to motorists. The Companies below tirelessly lend their support to developing the scope and character of this policy which fills the protection needs of millions of Americans.

Consult Our Branch Offices



AMERICAN SURETY COMPANY

HOME OFFICES: 100 BROADWAY, NEW YORK

NEW YORK CASUALTY COMPANY

Both Companies write FIDELITY • SURETY • CASUALTY

ACCIDENT AND HEALTH

Announce Cost Schedule for National Accident & Health Association Convention

LOS ANGELES—At a meeting of the general committee of Accident & Health Managers Club of Los Angeles in charge of arrangements for the annual meeting of the National Accident & Health Association in Los Angeles June 23-25, final financial arrangements were approved, and the scheduled cost of the convention for delegates and visitors was determined.

This cost for those who desire to participate in all scheduled events, including the golf tournament, banquet, sales congress luncheon and all convention sessions will be \$9.50. For those who do not play golf, the cost for the banquet, sales congress luncheon and convention sessions will be \$6; for the sales congress luncheon and all convention sessions, \$3.50, and for convention sessions only, \$2.

Walter E. Mast, chairman of the housing committee, has secured rates from an additional number of desirable and convenient hotels. Inquiries to Mr. Mast, care Continental Assurance Co., 925 Lane Mortgage building, Los Angeles, will receive prompt attention.

From information already received by Chairman E. F. Hanson of the attendance committee, company members of the National association will be well represented at the convention.

Panel Discussion Arranged on Agency Management

A unique panel discussion of problems confronting accident and health home office agency supervisors will feature the annual meeting of the Health & Accident Underwriters Conference at the Edgewater Beach Hotel, Chicago, June 3-5.

The agency management committee of the conference, which is sponsoring this panel discussion, met in Chicago last week to put the finishing touches to the program. Every angle of agency management will be explored, with special emphasis on such topics as recruiting, training, supervision of general agents, and financing of new men.

Treatment of these topics in a panel discussion will reflect the best methods of meeting these problems now being used.

Those participating on this panel are Francis L. Merritt, Monarch Life, chairman agency management committee; J. W. Scherr, Jr., Inter-Ocean Casualty; Rex A. Edmunds, Fidelity Health & Accident; R. L. Paddock, Time; T. T. McClintock, Ohio State Life; John L. Elliott, Washington National, and S. Robert Rauwolf, North American Accident.

Doctors' Views on Medical Plans

NASHVILLE, TENN.—Dr. Frank H. Leahy, Boston, president-elect of the American Medical Association, told the Tennessee Medical Association here that a medical insurance plan, to be acceptable to the medical fraternity, should not limit "free choice of doctors" or "place the decision as to who is a good doctor in the hands of any bureaucratic agency." He suggested that the majority of doctors would prefer that any such plan be under the supervision of the insurance department and include a "reasonable upper limit of income." He denied that the medical profession is reluctant to accept new plans because of fear of loss of revenue, prestige, or "dictatorial control."

K. C. Group to Hear Higdon

KANSAS CITY—The Kansas City Accident & Health Association on April 18 will hear J. C. Higdon, vice-president Business Men's Assurance, on "Public Relations."

Group Insurance Pictured as Service to Community

MINNEAPOLIS—How group insurance, in various forms, has taken over a duty once performed by citizens of a community when misfortune overtook one of them was explained by A. R. Hustad, associate manager White & Odell agency, Northwestern National Life, to the Insurance Buyers Association of Minnesota.

In the early days in America, Mr. Hustad said, when misfortune befell a family in the form of death, accident or sickness, the people of the small community, with a fine human friendliness, did all they could for the family in trouble. With thousands of men now employed under one management, that human, friendly touch, either of management or of individuals, can no longer be rendered. That is why today the industrial worker, the office worker, the salesman, must safeguard his own values through insurance in its many phases.

To meet this changed economic situation, there has developed group life

insurance to supplant the wage-earner in the picture of family protection; group accident and sickness insurance to guarantee that there shall be a weekly pay check when accident or illness befalls the worker; and group hospitalization to absorb the shock of sudden expenses resulting from illness or accident.

"All have reached tremendous proportions in this country, and rightly so," said Mr. Hustad, "because it is the only way the employer can still reach out a kindly hand to help those who carry on in his industry. Through mass buying power set up under the group rules, the individuals, too, benefit greatly in the low cost of these essentials to the security of every worker."

Accident-Health Speakers at Local Agents' Meetings

J. H. Garneau, Hartford Accident, chairman of the speakers bureau committee of the National Accident & Health Association, who is doing very effective work in arranging for accident and health speakers for the meetings of local agents' organizations, will speak at the school sponsored by the Indiana association at the University of Indiana, Bloomington, May 12-13.

He has also arranged for the appearance of F. G. Packwood, Massachusetts Bonding, Kansas City, at the Nebraska agents' meeting in Omaha May 6-7 and James E. Powell, vice-president Provident Life & Accident, at the Florida meeting in Jacksonville, June 19-20.

Accident and health speakers who already have appeared at state meetings of agents include M. N. Scholer at the Minnesota mid-year meeting, W. Franklin White, Royal and Globe Indemnity, at the New Jersey mid-year meeting and the school conducted by the Virginia association, and T. E. Kearns, Hartford Accident, at the Louisiana meeting.

Chicagoans to Visit Milwaukee

The Chicago Accident & Health Association will visit Milwaukee April 25 and present the program at a joint meeting with the association there. A short, snappy program has been arranged, featuring three former presidents of the association and presenting an accident and health insurance train. A. D. Anderson, Occidental Life, as the engineer, will lead off on the production angle. Armand Sommer, Continental Casualty, speaking on underwriting, will be the brakeman, and C. N. Dubach, Hartford Accident, presenting the public relations side, the conductor.

Around 40 members of the Chicago association are expected to make the

DISTINGUISHED BY LONG AND HONORABLE SERVICE

Established 1897

Continental
CASUALTY COMPANY
CHICAGO, ILLINOIS

Affiliated with

CONTINENTAL ASSURANCE COMPANY

trip, including all those who went last year to Milwaukee and found the experience most enjoyable, and the others whom they have told about that trip. The Milwaukee people will meet the Chicago contingent at the station and promise a "gala afternoon."

Medical Service Bill Advanced

BOSTON—Establishment of a medical service corporation, as recommended by the Massachusetts Medical Society, has been approved in a bill reported favorably by the legislative committee on insurance.

A subscriber would be entitled to select his own physician. Any citizen may become a subscriber. The insurance department would have general supervision over the corporation. No salary above \$5,000 annually may be paid.

Brink Agency Sets Record

The Earl B. Brink Michigan state agency of Mutual Benefit Health & Accident in Detroit led all agencies of that company in accident and health production in March with 5,326 applications received. That total is the largest production record ever attained by any Mutual Benefit agency for a single month and is an all-time record for that company.

The agency also stood fourth in life production for United Benefit Life in March, which was the second best month in the history of that company.

Bill O. Brink has just been made manager of the agency under his father. He graduated from the University of Texas in January and on his way to Detroit was married at Shreveport, La., to Miss Marjorie Osborne. He has made a name for himself as one of the country's leading divers. He has worked in the agency during the summer while in school.

Claim Men's Convention Committee

LOS ANGELES—The Los Angeles Life & Accident Claims Association has appointed this committee to cooperate with the Accident & Health Managers Club of Los Angeles in entertaining the annual convention of the National Accident & Health Association in June: Larry Burford, Pacific Mutual Life; Ray Scofield, Massachusetts Bonding; Otis Healy, Hartford Accident & Indemnity.

Dr. R. W. Langley, heart specialist, showed his film depicting the action of the human heart and the sounds produced by it, both normally and under conditions other than normal.

Move Inter-Ocean R. R. Department

CINCINNATI — Inter-Ocean Casualty has moved its railroad department from Jacksonville, Fla., to its home office in the American building here. E. M. Wrenne, formerly of Nashville, who has had broad experience in the business, has been appointed manager.

J. A. Eggers, with the company's industrial department 15 years, has been appointed manager of the new monthly premium sales office for Cincinnati and vicinity with quarters in the home office. Mr. Eggers, who is president of the Cincinnati Accident & Health Association, has been with the company 20 years.

Group Cuts Individual Sales

The great activity in the writing of group insurance at the present time and the wide range of coverage now offered under group policies present rather a serious problem to agents who

are trying to write individual policies of either life or accident and health insurance. This is particularly true in communities which are dominated by a single industry, such as some of the steel towns in the vicinity of Gary, Ind., or in some sections of western Pennsylvania.

If the dominant industry has a group contract, it is possible to provide life, accident and health and hospitalization coverage, not only for all the employees, but also for their wives and children, all in one package. In communities of that type, this means that there is very little opportunity left for individual solicitation.

Miller New Denver Head Aetna Casualty

John A. Miller, special agent at Dallas for Aetna Casualty four years, has been appointed manager of the branch at Denver, succeeding Fred E. Breisch, who resigned March 1 because of ill health. Mr. Breisch, now in Florida, after a prolonged rest will establish a local agency at Denver, representing the Aetna Life.

Mr. Miller's connection with the Aetna organization began in 1921. He was underwriter and special agent at

Denver about 15 years, and then went to the Dallas office as special agent.

L. A. Wins Diemand Trophy

The John A. Diemand trophy, awarded annually by Indemnity of North America to the service office making the best showing on production, loss ratio and overhead, has been won for 1940 by Los Angeles. Manager is E. F. Holmes.

Formal presentation of the silver scroll trophy named after and awarded by President John A. Diemand will be made in the near future.

Just Off the Press!—THE 1941 "DISABILITY BOOKLET"

YOUR LETTERHEAD

Dear Sir:

It pays to face the facts while you are strong and healthy.

When you are flat on your back in the hospital, it is no time to start thinking about what you will do to pay your doctor and hospital bills.

When you are at home recovering from an accident or sickness, it is no time to start thinking about where you are going to get the money to pay the grocer, the landlord or the butcher.

After you glance over the facts of life in the enclosed booklet, I think you'll agree that now is the time to make arrangements to pay bills in case you are disabled.

Yours very truly,

Your Name

THIS SPACE FOR IMPRINTING OF YOUR OWN ADVERTISING MESSAGE (50 WORDS OR LESS) PASTE YOUR ADV. COPY HERE

THIS SPACE FOR YOUR COMPANY OR AGENCY 3-LINE IMPRINT

Two Sure Ways to Increase Your Business

1. SEND THIS LETTER TO EACH OF YOUR PROSPECTS

2. ENCLOSE THIS 12-PAGE BOOKLET WITH EACH LETTER. THEN HAVE YOUR AGENTS FOLLOW UP WITH A CALL. RESULT: MORE BUSINESS

OR... GIVE YOUR AGENTS A SUPPLY OF BOOKLETS TO CARRY WITH THEM.

OR... ENCLOSE A BOOKLET WITH EACH RENEWAL NOTICE

Why DISABILITY INSURANCE IS A GOOD INVESTMENT FOR You

A 12-PAGE BOOKLET OF 1940 ACCIDENT AND DISABILITY STATISTICS, INTERESTINGLY AND FORCEFULLY PRESENTED

USE THIS CONVENIENT ORDER FORM

Booklet Fits Into Standard Premium Notice Envelope

PRICES

QUANTITY	BOOKLETS ONLY	BOOKLETS WITH IMPRINT	BOOKLETS WITH ADV. MESSAGE AND IMPRINT
100	\$ 2.00		
500	7.00	\$ 9.00	\$ 12.00
1,000	12.00	14.00	17.00
5,000	50.00	60.00	65.00
10,000	85.00	105.00	115.00

WRITE FOR SPECIAL PRICES ON LARGER QUANTITIES

\$2 charge for imprinting on orders for less than 500.

ACCIDENT AND HEALTH REVIEW, 175 W. Jackson Blvd., Chicago, Ill.

Date.....

Send us.....copies "Why Disability Insurance is a Good Investment for You." Enclosed is \$.....for Booklets only ☐; for Booklets with Imprint ☐; for Booklets with Advertising Message and Imprint ☐.

NAME.....

ADDRESS.....

CITY.....

STATE.....

WANTED

Experienced bond and casualty man as solicitor in one of the biggest local agencies in Northwestern Ohio. Must furnish detail qualifications and five references. Preference will be given to man with previous agency experience. Address N-29. The National Underwriter, 175 W. Jackson Blvd., Chicago, Illinois.

Rash of Easy-Pay Plans Seen in N. Y.

(CONTINUED FROM PAGE 17)

same way that people buy three-day personal accident travel policies which special dispensations in the agency laws permit ticket agents to sell. The New York department has so far not indicated any willingness to sponsor a similar law permitting gas station attendants or others to sell short-term automobile liability contracts.

Balks Law's Purpose

Presumably the department would discourage this type of policy for Superintendent Pink's objective is to get the greatest possible number of cars insured for liability and property damage. He favored the compulsory insurance law but swung the department's support to the Page-Anderson bill when it appeared that the compulsory measure had no chance of passage. These short-term insurance schemes, while admittedly better than no coverage at all, would tend to increase the number of cars running around without any insurance even though they might be covered on occasion. Furthermore, the sale of insurance to cover trips would be discounted somewhat by the fact that many of these trips would be made to points outside the state and hence the coverage would be to that extent useless to New York citizens.

Easy-Pay Plans

Much sounder in their approach to the problem of providing the low-income driver with coverage are the plans which give the insured an entire year's coverage but would enable him to pay for it on a monthly or possibly even a weekly basis. Some of the schemes that have been proposed to the department involve an elaborate system of representatives to sell the insurance and collect the periodic payments. These plans have not got far mainly because it would be almost prohibitively expensive to have licensed brokers or agents doing the work of collectors and solicitors.

Under the insurance law it is very definite that the men who sold the business would have to be licensed as agents or brokers. It would not be necessary for those collecting the premium installments to be licensed providing they did not sell or solicit any new business and were paid strictly on a salary basis and not according to the amount of premiums they collected. But this would involve having separate corps of solicitors and collectors, which would be expensive and complicated.

Short Rate a Problem

A second difficulty facing these installment plans is the necessity under the insurance law of keeping ahead of the short rate cancellation table, so that if the insured stops paying anywhere along the line the agency will have collected enough from him to pay for the protection he has had at the short rate. If this is not done and the buyer stops paying the agent is left responsible for the difference between the short rate premium and prorata premium and perhaps even part of the latter if the insured has been given too much credit latitude.

Canceling Back Practice

Although they are not supposed to do it, companies sometimes cancel back to the original date to save an agent from loss if he is an important producer. However, these cases are fairly rare. This type of difficulty would be aggravated if premium financing of small risks were done on a wide scale and it would have to be rigidly controlled by companies or the department. Strict enforcement of this provision might make the installment payments so high that the scheme would lose its attraction for many potential buyers.

Lloyd of Ohio Asks Defeat of Hobbs Bills in Congress

(CONTINUED FROM PAGE 17)

to eliminate the "gyp" type of mail order insurer, while not interfering with those operating legitimately, is that uniform legislation be proposed by the National Association of Insurance Commissioners under which no department would license in its home state, thereby giving it a certain amount of latitude to operate in other states, any insurer which expended more than 20 percent of its income for management expense. This follows to a certain extent the statute now in effect in Minnesota, which restricts insurers of that state to a total of 40 percent for all expenses, including both general management and acquisition costs and requires that the other 60 percent go for either claims or reserves.

Insurance commissioners are quite generally opposed to both the Hobbs bills, regarding them, especially the one providing for licensing by the SEC, as an entering wedge toward federal supervision, and a number of other commissioners are expected to follow Superintendent Lloyd's example in writing to their congressmen on the subject.

Complications on Radio

The radio angle of the Hobbs bill is causing some anxiety on the part of the broadcasting companies. It would prohibit broadcasting of advertising or announcement of any company in any state where it is not licensed. This would restrict the use of such media by many perfectly legitimate companies which operate in comparatively limited territories. If a company operates, for example, in 15 states, the radio station would have to be absolutely certain that its broadcasts could not be heard outside of those particular states before it could accept a contract from such a company.

In addition to the Hobbs bills, there is another measure, known as the Reese bill, which is causing considerable concern to life companies. It would prohibit any life company from sending mail into any state in which it is not licensed. This would make it impossible for a company to send a premium notice to a policyholder who was insured in a state where it was licensed but later

moved to one where it was not. It seems to have been rather difficult to find out what interests, if any, are backing this proposal.

LEGISLATION

Wisconsin—Insurance company representatives before the senate committee opposed a bill which would place a 5 percent gross premium tax on certain casualty insurance to finance a state police radio system. H. M. Wilke, Wisconsin Mutual Insurance Alliance, and Irving Mehigan, Insurance Federation of Wisconsin, protested the tax would be discriminatory, as insurance carriers would have to bear the cost of protecting self-insurers. Similar bills were defeated in 1937 and 1939.

Vermont—A. E. Watson, local agent and state representative, withdrew his bill calling for a compulsory automobile liability measure and is now supporting a substitute measure for a financial responsibility law based on the New Hampshire statute with strengthening amendments. It is expected the revised law will be adopted.

Maine—The house has rejected a compulsory automobile liability bill and the senate has passed and sent to the house measures strengthening the existing financial responsibility law.

Michigan—A five-day written notice of cancellation or suspension of coverage for non-payment of premium would be required of casualty carriers, including automobile, in relation to all contracts written on an installment plan, under terms of a new bill.

Another new measure controls the use of radio advertising by unauthorized companies.

American Auto Milwaukee Move

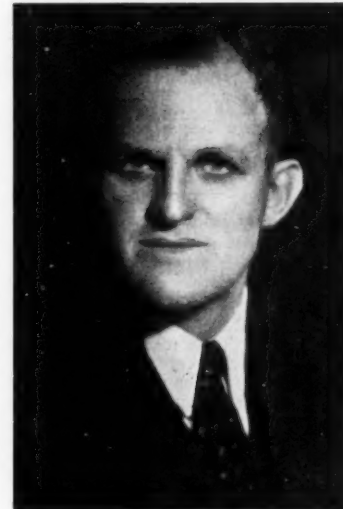
The Milwaukee branch of American Automobile has moved to larger quarters in the Bankers building, 208 East Wisconsin avenue. This month the company celebrates the 25th anniversary of its entry into Wisconsin.

A new agency has been established in the Hyde building, Spokane, by B. B. Kennedy, for 16 years with R. J. Martin & Co.

Accident Bureau Speakers Given

NEW YORK—Speakers at the annual meeting of the Bureau of Personal Accident & Health Underwriters at the Carmel Country Club, Carmel, N. Y., May 21-22, include:

C. W. Fairchild, general manager Association of Casualty & Surety Execu-



B. M. ANDERSON

tives, on "Public Relations in the Accident Field;" David C. Beebe, president United States Aviation Underwriters, on "Aviation;" George Malcolm-Smith, publicity department Travelers on "Human Side of Accident Insurance," and B. M. Anderson, counsel of Connecticut General Life, on a subject to be announced later.

Detroiters Hear Personality Talk

DETROIT—President H. H. Jones, Commercial Casualty, achieved a record turnout at the April meeting of the Detroit Accident & Health Association, to hear Miss Edythe Melrose, radio station promotion manager, talk on "Personality, Your Greatest Asset."

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Cost Program in Chicago Hits Snag

The casualty acquisition cost program in Chicago and Cook county struck a snag Monday when the Chicago Insurance Agents Association held a special luncheon meeting at which a resolution of non-cooperation was adopted. The meeting was called at that time, because the following day was the deadline for filing applications for relief and for designation of so-called class A agents for surety business.

The memorial requested the members to refrain from filing applications for class A standing and requested those agents who had done so, to withdraw their filings.

It is explained that the general agents desired to act as a unit and that the committee headed by Lyman M. Drake of Critchell, Miller, Whitney & Barbour will give further consideration to the situation and may make recommendations later.

Donald M. Wood of Childs & Wood, chairman of the association, stated that the organization believes the rules will not accomplish their purpose of reducing acquisition cost in Cook county; that the class A designation will have the effect of permitting payment of general agency commissions to everyone including brokers; that the granting of relief under the rules will not only legalize the companies "transgressions" of the past but will expand them in the future, and that the rules and setup will not do the general agents any good.

Mr. Wood stated that six member companies of the acquisition cost conferences have notified Chairman E. J. Schofield that they do not intend to abide by the Chicago rules.

Graduated Expense Topic at Oakland

(CONTINUED FROM PAGE 18)

be adjusted so as to bring a fair return for the work performed by the producer, and that risks under a certain amount would carry the full rate of commission—not overlooking that it would be payable on a higher premium than today.

The National association has not taken an outright position on graduated commissions, although the executive committee in the past has raised the question of a given percentage of insurance premium as compensation for agency service which does not always measure either the value or the necessity of the service to be rendered. Any given percentage of the small premium unit, they have said, is nearly always inadequate compensation for the service that has been rendered during the life of a policy. On the other hand company men contend that when large premium units are reached in the casualty and surety lines the percentage fixed from the beginning is likewise out of proportion.

McKee A. & H. Division Manager

LOS ANGELES — Occidental Life has appointed C. M. McKee, former accident and health manager in San Francisco, and later general agent in Los Angeles, as accident and health division manager for California, working from the home office.

Mr. McKee, a native of Hartford, started in insurance work at 17 with Connecticut Mutual Life. After war service overseas he joined Travelers as accident underwriter for Michigan. He conducted his own agency in Joliet, Ill., but later sold the business and came to the west coast. He joined Occidental in San Francisco in 1937.

Fla. "Comp." Rate Hearing

The Florida industrial commission will hold a hearing on proposed new workmen's compensation rates at Tallahassee, May 12.

Support Graded Cost Plan, Knapp Asks at Aetna Rally

E. C. Knapp, agency secretary of Aetna Casualty, appealed for support of the graded cost principle at the Chicago sales meeting of his company this week. More than 150 Illinois agents attended the one day session of Chicago Manager George Tramel, which was followed by a dinner in the evening.

Other home office speakers were J. M. O'Brien, field supervisor, who spoke on prospecting for new customers, A. D. Bryan, field supervisor, who discussed developing more business from present accounts, and F. W. Potter, field supervisor and instructor in the home office agency school, who outlined the sale of comprehensive liability insurance. The new Aetna sales film was shown and considerable new selling material was distributed.

Influence of Washington

Mr. Knapp said that the present practices of the government in connection with insurance and bonds on defense contracts have focused the attention in Washington on what officials regard as excessive allowances for acquisition cost and company overhead. The stock companies, with the cooperation of agents, have tried to meet this situation and in some states have been successful in getting a more equitable share of the business on these lines. The insistence of the government on graded costs on large bonds, however, will certainly be carried over to private business when the same contractors resume private work. He asked the agents to consider the matter of graded costs carefully and hoped that they would decide to regard it favorably when the time comes.

Saying that he has never been solicited for insurance by a stock company agent in all the time he has lived in Hartford, Mr. Knapp said that the only way to capitalize on the present business activity is to see more people. He pledged the agents that his company will not relax its selling efforts or its service when the reaction comes.

Forum Makes Hit

Mr. Bryan conducted a forum on getting increased business from renewal accounts which aroused a thorough discussion of many points. The participants were J. M. Timmons, Chicago office agent, F. A. Carlson, Youngberg-Carlson, Chicago general agents, G. E. Schorie, Hicks-Mattson agency, Joliet, C. J. Montgomery, Rock Island, D. M.

Weiser and R. D. Hodson, agency supervisors in the Chicago office, and Mr. O'Brien. Among the points discussed were automatic addition to automobile coverages such as medical payments and drive other cars for relatives, adding full medical aid to residence and employers liability policies and increasing indemnity under accident policies.

Mr. Potter stressed the simplicity of the comprehensive liability policies and said that they should force the assured instead of the agent to pick and choose. Wherever the assured says he does not want a particular coverage, such as property damage, he recommended asking him to initial a statement to this

effect on the application and said that in most cases the assured will relent and buy complete protection.

Tighten Assessment A. & H. Law

LINCOLN, NEB.—A bill which requires all domestic assessment health and accident associations hereafter organized to put up a loss fund of \$10,000, was passed unanimously. Companies now operating are required to set aside 5 percent of gross premiums until a similar sized loss fund has been created, and foreign companies are also brought under these provisions. Nothing in the act prevents setting up other reserves.



HEAR YE!
HEAR YE!
HEAR YE!

No. 21941

TITIUS vs WARY et al

"We the jury, find the defendant, O. B. Wary, owner of the Semaphore Tavern, and A. M. Biguous, owner of the building, 'Guilty,' and assess the plaintiff's damages in the sum of \$12,500 and costs."

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WORKMEN'S COMPENSATION

Compensation Old-Timers in Wisconsin Guests at Dinner

MILWAUKEE — Members of the original organization and governing committees of the Wisconsin Compensation Rating & Inspection Bureau at the time of its founding in 1917, were among the guests at an informal dinner given by George Dodson, formerly with the Casualty Reciprocal Exchange of Kansas City and a member of the original governing committee. He is now located in Chicago and is president of the Executive Sales Institute of N. Y. M. J. Cleary, now president Northwestern Mutual Life but at that time Wisconsin commissioner, also was a guest. Representing the industrial commission were Voyta Wrabetz, chairman, and H. A. Nelson, director of workmen's compensation. Commissioner Duell was represented by John Lange, chief actuary, and Lloyd Yaudes, casualty examiner.

Other "old timers" included Howard Plimpton, Aetna Casualty, first chairman of the governing committee; Chester Roberts, General Accident, and E. A. Piepenbrink, Milwaukee. Members of the present governing committee attending included W. H. Burhop, Employers Mutual Liability, Wausau; Lloyd Goan, Bankers Indemnity; C. A. Baker, Hartford Accident; Otto Gaedke, Maryland Casualty; George Peterson, Lumbermen's Mutual Casualty, and George Haydon, general manager of the bureau.

Agent's Promises Override Non-Payment Cancellation

ST. PAUL—Credit practices of an agent were held to override two cancellations of the same policy for non-payment, in a recent Minnesota supreme court decision, involving Casualty Reciprocal Exchange.

Metcalf, the assured, placed all his business with the W. F. Noltmeyer agency and received liberal credit. The policy in question had been cancelled once and reinstated, then again cancelled for non-payment. The agent told the assured "not to worry," and that he would take care of the matter. An employee of the assured was injured before the policy was reinstated and the reciprocal denied liability. In affirming a compensation award, the supreme court held that the insurer was bound to a knowledge of the credit terms of its agent and by its actions had assented to them so as to keep the coverage in force.

Seek \$1,000,000 for O. D. Claims

HARRISBURG, PA.—Bills appropriating \$1,000,000 for the state's share in meeting occupational disease claims have been introduced in both houses of the Pennsylvania legislature. Under the 1939 act the state obligated itself to pay half of all occupational disease claims during the first two years, 40 percent during the next two years, and 10 percent less each two years until the employer would be paying the full amount.

When the law was passed two years ago, \$100,000 was appropriated for the state's share of payments, which amount turned out to be so small in relation to claims that no payments were made. The present bills would have the fund administered through the department of labor and industry, and paid from the state general fund.

Monopolistic Fund Advocate in Pa. Is Vitriolic

A blast was hurled at insurance companies and the way the compensation

law is administered in Pennsylvania in an hour's speech before the Pennsylvania senate by Shapiro of Philadelphia when he introduced a bill for a monopolistic compensation fund. He charged that a "colossal conspiracy exists" in the state. He charged that Pennsylvania Manufacturers Association Casualty has "exclusive first call" on 25 percent of the compensation business and members of the Manufacturers association give their business to that company without paying any agency commission.

He charged that the state fund insures a disproportionately large amount of poor business which is turned down by the private companies. He objected to what he called "company controlled rates" and he contended that small companies that had attempted to write at lower rates had been frozen out. He praised the way the state fund was handled under former Governor Earle and condemned the way it is handled by Governor James who, he said, does not even permit the fund to solicit business by mail. Under Governor Earle there were 50 solicitors for the state fund. The number insured in the state fund dropped from 30,940 under Earle to 23,392 at present, he said.

In a bitter attack on the present system the senator held that rates are from 30 to 40 percent higher than they should be. About 50 cents of every \$1 paid in premiums goes to expenses and profits at present, he held.

N. Y. State Fund Figures

The 1940 financial statement of the New York State Insurance Fund shows assets \$63,080,928, increase \$5,500,000. The surplus is \$6,748,509. The compensation reserve is \$41,633,253 and the premium reserve \$6,239,522. There are 44,900 employers, with approximately 1,000,000 employees in the fund.

Review Minn. 18-Year Experience

MINNEAPOLIS—The 18 policy years 1921-1938 inclusive produced a loss ratio of 59.9 on compensation insurance in Minnesota, J. F. Reynolds, general manager Minnesota Compensation Rating Bureau, reports in reviewing the operations of his bureau on its 20th anniversary. In the period covered, earned premiums were \$83,850,000 and incurred losses \$50,200,000.

There are now 67 members of the bureau, an increase of six in the past year. Calendar year premium writings of the past four years have shown a steady drop, from \$7,453,906 in 1937 to \$5,986,435 in 1940. Nevertheless, bureau activities showed gains for the year ending March 31, 1941, compared to March 31, 1940. There were more inspections and an increase of more than 300 in the number of risks for which rate cards were promulgated. There has been a sharp increase in the number of retrospective rating coverages, from 45 a year ago to 85 as of March 31, 1941.

Favors 30-Day Notice

BOSTON—Further amendment to the working rules of the Massachusetts' compulsory automobile liability act were recommended by Commissioner Harrington at a hearing of the Massachusetts legislature's insurance committee. As a deterrent to fake and fraudulent claims and to give companies fair opportunity to set up defenses, the bill would provide that notice must be given an insurance company within 30 days of an accident involving personal injury to enforce payment of a judgment. The notice must give all pertinent particulars as to time, place, names, etc. In case of mental or physical incapacity, the notices may be delayed to a date 10 days after such incapacity has been removed, and it may be signed by someone else for the party concerned.

ASSOCIATIONS

Cofer Named New President of Virginia Association

RICHMOND—C. V. Cofer, special agent United States Fidelity & Guaranty, Richmond, is the new president of the Casualty & Surety Underwriters Association of Virginia. He succeeds H. P. Eitel, Richmond manager Fidelity & Casualty, who automatically becomes a member of the executive committee.

Other officers are E. N. Taylor, Aetna Casualty, vice-president; F. C. Robertson, Fidelity & Deposit, secretary; Fred Bauernschmidt, Hartford Accident & Indemnity, treasurer; J. T. Jones, Aetna Casualty, manager, a newly created office.

W. P. Hundley, Commercial Casualty and Mr. Bauernschmidt are new members of the executive committee.

The annual meeting was followed by a banquet at which Samuel Bigelow, new manager of the Virginia Association of Insurance Agents, was the guest speaker.

Auto Dealers' Liability Discussed

LOS ANGELES—The Casualty Insurance Adjusters Association of Southern California heard Vernon Hunt talk on liability of auto dealers and the confused situation that exists. He pointed out that under certain circumstances the dealer who sells a car and delivers the "pink slip" still is liable until the transfer of ownership has been received by the state motor vehicle department. He pointed out discrepancies in the motor vehicle code, stating that legislation is needed to clarify the code and remove the present situation under which it is almost impossible for the dealer to eliminate liability.

Arrangements were completed for the annual picnic May 10 and the joint luncheon with Insurance Post 513, American Legion, April 23.

N. J. Casualty Men Hear Harvey

NEWARK—The work of the National Conservation Bureau of the Association of Casualty & Surety Executives, was explained by Julian H. Harvey, managing director of the Bureau, at the luncheon-meeting of the Casualty Underwriters Association of New Jersey. He told of the bureau's educational work among the high school pupils of the automobile driving age and also of the work in industrial plants.

B. V. Cranston, Fidelity & Casualty, resigned as treasurer and S. S. North, Glens Falls Indemnity, was named to

fill out the unexpired term of Mr. Cranston.

Seattle Adjusters Plan Banquet

The Casualty Adjusters Association of Seattle will hold its annual banquet May 23. John Martin of McCollister & Campbell is chairman of the arrangements committee. The association will elect officers Friday.

Hear FBI Man in Buffalo

BUFFALO—A. C. Schlenker, acting special agent in charge of the FBI in Buffalo, spoke to the Casualty & Surety Club of Buffalo on the operation of the bureau in combatting sabotage and espionage and how it is cooperating with local law enforcement agencies. Hugh Russ, Buffalo attorney, will speak May 12.

Auto Assigned Risk in 8 States

Establishment in Virginia of an assigned risk plan for automobile liability and property damage increases to eight the number of states in which such plans are now in effect. Others are Maine, New Hampshire, Vermont, Connecticut, Illinois, New Jersey and Washington.

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Builders Risk Lines on Rise, Two Forms in Use

The large amount of construction work in connection with the defense program has focused the attention of many in the insurance business on the methods of insuring a building under construction. Apart from the cumbersome and unsatisfactory method of placing insurance on the building as it is begun and increasing the amount from time to time, hoping that a loss will not occur before insurance has caught up with values, there are two methods of providing automatic and complete coverage in most states. They are usually called the reporting builders risk form and the completed value builders risk form.

The reporting form is the older of the two and some variant of it is found in every jurisdiction. The usual procedure is to issue a binder as soon as the contract is let and to write a policy for one year for the actual value of insurable property on the premises, as soon as there is any. The assured then reports the increase in value each month and the policy is endorsed as of 15 days prior to the date of report, increasing the amount of insurance by the increase in value.

Premium Adjustments

In most jurisdictions, the assured pays an additional premium on the amount at risk when the policy is written and a prorata premium each month for the reported increase in value for the unexpired term of the policy. If the building is completed before the expiration of the policy, the builders risk contract is cancelled prorata if insurance is rewritten under a regular building form with the same company, otherwise short rate.

There are some territorial variations, mostly with reference to the dates of reports and endorsements. In some states, the initial or deposit premium must be at least 50 percent of the annual premium for insurance based upon the estimated value of the completed building.

Ordinarily, title to a building under construction remains in the contractor until the building is completed, even though the person for whom the building is being built may make advance payments. Thus, the contractor is usually the proper assured. Where indicated, however, a builders risk policy may usually be written to cover the contractor and the owner of the property as their respective interests appear and also the interests of subcontractors. The form may usually also cover sheds and equipment of the contractor used in the work.

Completed Value Form

The completed value form made its bow in the east about 2½ years ago and has spread to most other territories. It differs from the other form in that no reports are required, insurance being written in the amount of the entire completed value of the building. To compensate for this, the rate charged is usually 55 percent of the builders risk rate. The assured thus has full coverage without the necessity of making monthly reports.

If plans are altered during construction, or if developments make the building cost more than anticipated, the amount under the completed value form must be increased and the premium for this increase must be figured from the inception date of the policy.

The completed value form covers all

parties, owner, contractor, and subcontractors, as interests may appear and covers property of the builders used in construction when not otherwise insured, such as under a contractors equipment floater. It provides for automatic reinstatement in the event of loss, the assured being liable for a pro rata restoration premium.

Premiums May Vary

The rate of 55 percent of the builders risk rate for the completed value form was arrived at after consultation with builders and architects organizations. It was determined that this would produce, for the average building, a premium approximately equal to that worked up by the reporting form. It is obvious that there may be differences in individual cases, the completed value form being more economical if the work goes quickly at first, while it will be more expensive if additional delays cause values to pile up mainly during the latter part of the policy period. Most authorities recommend testing of premiums before insurance is written. However, the difficulty of getting accurate and prompt reports from contractors prompts many to recommend the completed value form unless the difference in premium is material.

Both forms contain a 100 percent coinsurance clause or its equivalent. The builders risk rate published by the rating bureau having jurisdiction is always used as the rate basis.

Beauty Shop Cover Makes Good Entree, But Requires Skill

Recent newspaper reports of the death of an Atlanta woman allegedly from effects of a heatless permanent wave solution, and subsequent seizure of beauty parlor supplies of the solution over the country by the federal food and drug administration, brings up the subject of malpractice and products liability coverages on beauty parlors and barber shops.

The field is apparently one for a specialist, and risks, both on manufacturers for products liability and on shops for malpractice, have to be carefully selected and underwritten.

Experience of companies generally has not been good, largely due to the fact that underwriters have to know the field thoroughly and follow it closely. Lloyds has been in the market for some time, and has had a bad experience. Some of the other casualty companies have not done so well; a few still are writing it.

Provides Good Entree

On the other hand, where it is carefully underwritten, it is a fairly profitable line in itself, and it is being successfully used by some general agents as entree for placing of other lines. Department stores, hotels, buildings, etc., which operate or lease barber and beauty shops require a hold harmless agreement from operators, plus insurance coverage specifically naming lessee. One general agent recently secured compensation, automobile and some other lines on a large store after entree with

a malpractice policy on the store's beauty parlor.

In order successfully to underwrite such business, it is necessary to keep up with new products, equipment, trade practices, and numerous other changes which occur in the industry, according to W. H. Alger, whose agency in Chicago specializes in this field.

Since there is such a variation in beauty shop operation, there is no formula for rates. The Alger company, for instance, has a "bottom" rate below which it will not go, but rates may vary from that on up.

Rate flexibility also enables reflection of good experience for individual shops, that show it, Mr. Alger commented.

While the Alger agency confines its writings to beauty and barber shops for the most part, some companies have gone into the field of chiropody, reducing establishments, etc., but experience in the writing of these operations alone has been unfavorable.

Cancellation Affects Leases

Because shops can have cancellations of their policies and since these may affect leases, most operators recognize the need for adequate rates. The real difficulty in the field continues to be getting a market for the insurance, not in securing prospects for its sale.

The application form used in underwriting this insurance is very informative. However, much additional information must sometimes be secured direct from sources such as manufacturers of equipment, dealers who distribute it, and beauty schools throughout the country where the work is taught. It is essential to watch and be familiar with all new devices, cosmetics, etc., that from time to time enter the field.

There are many claims and much litigation against beauty shops. Consequently, handling of them is also a specialist's job. Knowing what a case is worth and how to defend the numerous suits is essential, and this knowledge can come only from many years of activity in the beauty industry itself.

Medical Payment Coverage Adds to Premium Sum

Many agents are adding to their automobile premium income by selling the automobile medical payment coverage in states where such can be written. This covers members of the immediate family or friends of the named assured who are riding in his car and in some states the named insured himself is covered. The indemnity is for surgical, hospital and nursing expense up to stipulated limits if those riding in the car are injured in an automobile accident. The limits per person include \$250, \$500, \$750, \$1,000 or \$2,000. The premium for \$250 per person is excluding the named assured 20 percent, subject to a minimum of \$4, or including the named assured 30 percent subject to a minimum of \$5 of the rate which the insured pays for \$5,000-\$10,000 personal liability. Higher limits cost a bit more. There is no top limit to the number of people insured.

The Aetna Casualty house organ in commenting on this line brings out the fact that this insurance relieves the car owner of real embarrassment and worry if he has an accident and people accompanying him are injured. Coverage is not determined by any question of liability or negligence. The prospect should be shown that in case of an accident it might be an extremely embarrassing situation for him to meet. Medical payments coverage cannot be

Agent in Small Town Writes \$12,000 in Premiums

DORSET, MINN.—This community of 56 people, deep in the woods of northern Minnesota, boasts an insurance record probably unequalled in the country. C. R. Hewitt, who styles himself "insurance specialist," last year wrote \$12,000 fire and casualty premiums and this year expects to make it \$15,000. Lack of time forced him to give up writing life insurance although one year he sold \$100,000 in life insurance.

So unique is the achievement of Mr. Hewitt that at the recent meeting of the Minnesota Association of Insurance Agents at Duluth he was publicly introduced to the assemblage and his record acclaimed as one to cheer agents in other small communities.

Dorset has a bank, two or three stores, several filling stations and perhaps a dozen dwelling houses. It is not in a good farming country. But Dorset is the gateway to one of the finest lake regions in Minnesota and therein lies the secret of Mr. Hewitt's astonishing success. There are scores of fine summer cabins and several resorts in the surrounding country and it is from these that Mr. Hewitt gets much of his business.

Mr. Hewitt is a great believer in advertising. He uses the local press, circular letters, calendars and novelties. He follows up his advertising, too. He has a mailing list of 400 insurance prospects which he works continuously.

Mr. Hewitt is proud of his loss ratio. Over a period of years his loss ratio on Aetna Fire business, for example, has been but 28 percent.

written in Idaho, Massachusetts, Minnesota, New Hampshire, New Jersey, New York and Pennsylvania. In the following states it is not permissible to write coverage for the named assured: Arizona, California, Connecticut, Illinois, Kansas, Louisiana, Maine, Missouri, Nebraska, New Mexico, Oklahoma, Oregon, South Dakota, Virginia, Washington and Wisconsin.

Trees, Shrubbery and Lawn Improvement Insurance

T. A. Hites, state agent of the Boston and Old Colony in Wisconsin, in their house organ, calls attention to the fact that agents are overlooking trees, shrubbery and lawn improvement insurance. This coverage, he said, is a very desirable perennial. Home owners spend several hundred dollars to landscape their property, putting in trees, shrubbery and other planting. Mr. Hites calls attention to the fact that outside of trees and shrubbery, lawn improvement insurance covers flowers, ornamental steps, statues, gates and other similar equipment. Any property covered, however, must consist of permanent betterments to the yards. Fire and tornado insurance can be written or any of the extra coverage hazards.

Mr. Hites emphasizes the fact that many people nowadays make gardening a hobby. They take great pride in their accomplishment. Therefore, an owner of that character could easily be approached.

Robert M. Beatty, Cook county manager of Western Adjustment, will address a luncheon meeting April 23 of the Insurance Brokers' Association of Illinois in Chicago.

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John H. Craig Is Named New Illinois Fire Marshal

John H. Craig of Lewistown has been appointed Illinois state fire marshal. At present the fire marshal's department is a unit of the insurance department but under a bill sponsored by Governor Green it would be converted into a unit of a new department known as that of public safety which would include the state police and a number of other agencies. The insurance interests feel that the proposed new move will give the fire marshal's department access to laboratories and will increase its usefulness.

Mr. Craig, who is 56 years old, is a graduate of the University of Illinois, a world war veteran and is active in the American Legion. He served as assistant director of agriculture in Illinois from 1929 to 1933, being in charge of racing law enforcement and of distributing agricultural premiums. He is former deputy county collector of Fulton

county and former clerk of the board of review in that county. He formerly operated a furniture store in Lewistown and participating in planning several buildings. Of recent years he has been interested in coordinating activities of rural electrification in several counties near his home.

The outgoing fire marshal is Edward P. Allen of Quincy, who was appointed by Governor Horner.

Farm Bureau Group in Convention

More than 1,000 policyholders and agents attended the annual meeting and sales convention of the Farm Bureau companies in Columbus O.

Speakers included G. D. Aiken, United States Senator from Vermont, on "Democracy Begins With You"; Dr. Otto Mees, president of Capital University, Columbus, "Our Way of Life"; A. C. Palmer, R. & R. Service, "A Defense Program for the Life Underwriter"; T. F. Silvey, secretary Ohio Council of Industrial Organization, Columbus, "In-

dustrial Democracy Through Collective Bargaining" and President Murray D. Lincoln on "Let's Distribute Abundance and Stop Subsidizing Scarcity."

Ray Murphy, Jr., with F. & C.

Ray Murphy, Jr., son of Ray Murphy, assistant general manager Association of Casualty & Surety Executives, has taken a post in the policy service department of the New York office of Fidelity & Casualty. He was graduated from University of Iowa in February, where he was on the football team. His father also attended that university and was football captain in 1911.

Miller Heads Auto Casualty Group

NEW YORK—Thomas D. Miller, Chubb & Son, was elected chairman at the annual meeting of the Automobile Casualty Underwriters Association. B. E. Farley, Phoenix-London group, is chairman, and A. J. Victor, Fireman's Fund Indemnity, secretary-treasurer.

Ralph Newman, United States Casualty, retiring chairman, presided.

Leaving a Circular

R. J. Walker, advertising manager of the Standard Accident, makes suggestions to agents in the use of advertising for fall and winter sales. He says:

"Every time you leave behind a good circular describing your insurance service, you have, in effect, made two sales calls—one in person, and one in print. Very often this second call is the one which decides whether you get the business, for puzzling questions have a bad habit of arising at times when you are not around to answer them. Through the simple fact that your name, address and telephone number is usually imprinted thereon, good circulars can keep the selling process alive while other prospects are being developed elsewhere."

Get your copy of "Fidelity & Surety Bonding" by G. R. Wentz. 400 pages, Price \$2. Order from National Underwriter.

INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

Indiana Agents' School Program

INDIANAPOLIS—The program for the annual conference on fire and casualty insurance sponsored by the Indiana Association of Insurance Agents and the business school of Indiana University at Bloomington May 12-13 has been completed. Chairman is Ralph G. Hastings, Washington; co-chairman, J. Edward Hedges, professor of insurance, Indiana University.

Following is the program:

Monday Morning, May 12

President Simpson Stoner presiding. Dr. Harry Sauvald, professor of finance and director investment research bureau, Indiana University, discussion chairman. 9:30—Welcome, President Herman B. Wells, Indiana University; welcome Commissioner Viehmann.

Lecture, "The Standard Fire Insurance Contract," Prof. George W. Goble, College of Law, University of Illinois.

Luncheon, A. Will Jenkins presiding. "The Program of Insurance Education of Indiana University School of Business," Prof. Hedges.

Monday Afternoon

Section 1, Howard Bradshaw presiding. "The Standard Automobile Policy," Edward F. Gallahue, secretary American States.

"Farm Coverages," Bert R. Walinder, manager America Fore farm department, Chicago.

Section 2, Alan Lewis presiding. Prof. Erwin A. Gaumnitz, University of Wisconsin, discussion chairman. "The New Comprehensive Liability Policies," C. Edwin Blake, Travelers.

"Retrospective Rating," Mr. Blake. 6:30—Banquet, Mr. Hastings presiding. Address, Paul F. Boston, Greencastle; address, Don R. Lash, Indiana State Police; movies, "Pleasures Afloat," courtesy Aetna Casualty & Surety.

Tuesday Morning, May 13

Fred C. Richardt presiding. Edward E. Edwards, assistant professor of business administration, Indiana University, discussion leader.

"A Satisfactory Loss Adjustment by Proper Underwriting," Allen C. Guy, Western Adjustment, Columbus.

"Insurance Education for Everyday Needs," Prof. Gaumnitz.

Luncheon, Dean Arthur M. Weimer presiding. Speaker, Herman T. Briscoe, dean of faculties, Indiana University.

Tuesday Afternoon

Herman C. Wolff presiding. Prof. Goble, discussion chairman. "The Value of Accident Insurance to the Multiple Line Agent," Joseph H. Garneau, Hartford Accident.

"High Lights of Aviation Insurance," Harold Montee, Chicago manager Aero Insurance Underwriters.

Punctuation of Qualification Act Basis of Automobile Insurance Agency Decision

COLUMBUS—The Ohio department has asked for a new trial in the case of Automobile Insurance Agency and Edward Bernard of Cincinnati against the department, which Judge Leach of common pleas court here decided in favor of the plaintiffs. It is understood that by the time this motion is passed on, the department will have decided whether or not to appeal the case, if the ruling on the motion is adverse. A bill to clarify the provision of the law upon which, in part at least, the decision rested has been introduced by Senator Whitney, chairman of the insurance committee.

The decision of the court seems to turn on the punctuation of Section 644, general code, which is the agents' qualification statute.

The statute says that, before the superintendent can issue a license, he must be satisfied that the applicant is a suitable person. The words "suitable person," are followed by a colon and six qualifications, as follows:

"Does he intend to hold himself in good faith as an insurance agent? Is he honest and trustworthy? Does he understand the duties and obligations of agents? Is he familiar with the insurance laws of the state? Is he familiar with the terms and provisions of the policies and contracts of insurance he proposes to effect? That it is not his purpose or intention principally to solicit or place insurance on his own property or that of relatives, employers, or employees, or that for which he or the appointee is agent, custodian, vendor, bailee, trustee or payee, etc."

For years the department has been interpreting the statute as including "suitability" on an equal basis as a mandatory qualification with the other six listed. The court, however, held that this interpretation is wrong, contending that the colon used after the suitability test makes all of the other qualifications but tests of suitability, and then the court says that those six are the only tests of suitability and that the superintendent cannot apply any other test save those enumerated.

Pin Hope on Minn. Bill to Improve U. & O. Writing

The bill in the Minnesota legislature, which would authorize the commissioner to approve forms for use on fire insurance policies that are in the interest of the public and not contrary to the laws, does not contain any specific reference to use and occupancy insurance. However, if it becomes a statute, the underwriters hope that in due course the commissioner may see fit to approve the forms for insuring U. & O. which will be uniform with those now in use elsewhere in the western territory. The bill is now given an excellent chance of passage.

For some 20 years the U. & O. form in Minnesota has been entirely different from the one used elsewhere and particularly since the advent of the contribution form and the gross earnings form, this difference has become more apparent. Most of the material prepared by the companies for their production departments has only caused confusion when distributed in Minnesota.

There are other technical features of the Minnesota form which the companies have found objectionable and even though the commissioner's approval to the uniform forms in use elsewhere could not be secured in the event this bill is passed, insurance people hope that certain changes might be approved in the present form, eliminating these technical objections. The present Minnesota form affords ample protection to the policyholder but the general writing of U. & O. has been somewhat handicapped by the fact that many companies have been reluctant to write the business under a form differing so materially from the form generally in use.

Four Cities Are Selected for Iowa Educational Forums

DES MOINES—At a joint committee meeting of the executive committees of the Iowa Fire Underwriters Association and Des Moines Casualty & Surety Club with Harry C. Brown, Mason City, chairman of the forum committee of the Iowa Association of Insurance Agents; Iowa City, Ottumwa, Mason City and Council Bluffs were selected for this year's educational insurance forum. The other two cities will be selected at an early date.

The meetings will be held May 21 and May 28, with three forums on each date.

An addition to the program this year will be talks by adjusters on "The Adjuster's Viewpoint of Loss Adjustments."

H. W. Nixon, Maryland Casualty, president of the Casualty & Surety Club, named as faculty members for the forums: J. R. Owens, Massachusetts Bonding; J. E. Rochester, Fidelity & Deposit; Roy Clearman, American Surety; W. A. Rogers, U. S. F. & G.; J. W. Wheaton, New Amsterdam Casualty, and Claude Houghton, Great American Indemnity.

Farm Mutual Business in Illinois Last Year

The Illinois department has issued its tabular statement showing the business done by the farm mutuals in Illinois in the last year. The district mutuals had income of \$169,308, disbursements \$150,571. The assets were \$401,032. The assets leader was the German Mutual Fire of Chicago with assets of \$351,802, its income being \$18,080. The largest income was from the Svea Mutual Protective of Orion with \$53,684.

The county mutuals had \$821,182 income and assets \$564,689. Those having over \$20,000 in income were the Kingston Mutual County with \$27,308; Lewistown Mutual County, Lewistown, \$24,819; Macoupin County Mutual of Carlinville, \$23,356; Mt. Vernon-Jefferson County Mutual of Mt. Vernon, \$24,439; Mutual County Fire of Mt. Prospect, \$25,978; Pontiac Mutual County Fire, Pontiac, \$24,940; Vandalia Mutual County, \$22,629.

The township mutuals reported income of \$784,031 and disbursements \$719,042. Those having over \$20,000 in premiums were the Big Rock Township Mutual, \$20,080; Dunham and Chemung Township Mutual of Harvard with \$25,931; Farmers Pioneer Mutual Fire & Lightning of Buckley, \$29,722; Wheatland-Oswego Township Mutual, \$46,510.

The district mutual windstorm, hail and tornado companies had income \$378,943, disbursements \$329,120. The leader was the Rockford District Mutual Tornado with \$151,580 income and \$144,052 disbursements. The Pana-Hillsboro District Cyclone Mutual had \$109,487 income and \$93,494 disbursements. Albion District Mutual had \$37,852 income and \$38,550 disbursements. The aggregate income of all the farm mutuals was \$2,153,772, disbursements \$2,011,267.

Henry Addresses Local Boards

Victor G. Henry, president Wichita Association of Insurance Agents and vice-president of the Kansas association, and Lloyd B. Ferrell, vice-president Southwestern National Bank, Wichita, met with the Hutchinson Insurance Board and bank representatives there, discussing local bank automobile financing methods which enable the local agent to control insurance requirements. The Wichita plan, in which the banks and local agents cooperate, was outlined for the benefit of the Hutchinson groups.

Mr. Henry also addressed the Winfield (Kan.) Insurance Board on current problems of the state association and gave a resume of insurance legislation.

Sketch on Extended Coverage

CLEVELAND—At the April 17 meeting of the Cuyahoga County Board of Underwriters, R. J. Smith, state agent of Corroon & Reynolds, Columbus, and Gardner Graydon will offer a short sketch on "Extended Coverage."

E. L. Hull, district sales manager Railway Express Agency, will show the sound film, "Caravans of the Sky."

Stock Fire Company Neb. Premiums \$6,811,882 in '40

Net premiums written by stock fire companies in Nebraska last year amounted to \$6,811,882 and net losses paid were \$2,811,001, according to a preliminary statement booklet gotten out by the Nebraska department.

The mutual fire companies had premiums of \$1,684,687 and losses \$580,517.

The assessment fire and tornado companies had premiums \$1,077,160 and losses \$582,230. The fire reciprocals had premiums \$84,969 and losses \$17,261. The assessment hail companies had premiums \$28,140 and losses \$14,040. The premiums for hail insurance on growing crops of stock and mutual companies other than assessment were \$433,381 and losses were \$207,934.

Stock companies with premiums of \$100,000 or more are: Aetna Fire, \$205,462; Continental, \$105,513; Fidelity-Phenix, \$122,323; General Exchange, \$163,828; Great American, \$156,069; Hartford, \$421,526; Home, \$367,082; National American, \$401,663; National Security Fire, \$145,270; North America, \$178,465; National Liberty, \$305,517; National Union, \$221,225; Phoenix of Hartford, \$153,896; St. Paul F. & M., \$228,833; Springfield F. & M., \$185,121; Travelers Fire, \$111,779.

The mutual companies with more than \$100,000 premiums are: Capital Fire of Nebraska, \$125,042; Grain Dealers National Mutual, \$130,868; Home Mutual of Iowa, \$276,164; Nebraska Hardware Mutual, \$104,028; Standard Reliance, \$114,694, and Union Fire of Lincoln, \$289,165.

Phonograph Report on Meetings

LANSING, MICH.—W. O. Hildebrand, secretary-manager Michigan Association of Insurance Agents, has received a unique report on a recent series of educational zone meetings conducted by association members assisted by field men. The report is in the form of five phonograph records prepared by A. P. Paulsen, Jackson, state agent America Fore group, who was one of the speaker-instructors at each of the sessions.

The records contain highlights of talks made at the meetings and comments of those in attendance at each such session relative to its value, the number present, and how the program was received. One record also is made up of greetings to Mr. Hildebrand from the participating field men and the local agents who served as chairmen for the several meetings. The meetings were held at Mt. Pleasant, Saginaw and Bay City.

Ohio Rallies for Rural Agents

COLUMBUS—The Ohio Association of Insurance Agents will hold a series of meetings designed primarily to appeal to rural agents in its second district at Portsmouth April 18, Zanesville April 30, and in May at Marietta. Speakers include V. G. Martin, secretary; T. M. Lynn, Zanesville, trustee second district, and C. B. Plummer, field representative. The mid-year meeting of the association will be May 15 at Columbus, in the Neil House.

Integrate Fire Fighting Work

MILWAUKEE—Chiefs of privately maintained fire departments in industrial plants in Milwaukee county have been invited to join the County Association of Fire Chiefs to integrate fire fighting facilities in the national emergency. The association is composed of chiefs from 15 municipalities in the county, organized to coordinate efforts in the event of big industrial fires or sabotage during the defense program. Legislation providing reciprocal ar-

rangements to permit fire fighting units from one municipality to aid another in an emergency is being sought.

The Milwaukee common council has authorized an assistant fire chief in charge of the training school to attend a seven-day course in New York City in fighting fires caused by explosives or incendiary bombs or sabotage. The course is being given by New York firemen who spent several months in London.

Would Regulate Bottled Gas

ST. PAUL—Control over installation of bottled gas equipment in Minnesota is being sought by the state fire marshal's department. There have been several explosions and fires in homes and business places which used liquefied gas for cooking and other purposes. The use of this fuel is growing rapidly.

Leonard Lund, the chief deputy fire marshal, is seeking legislation to license the 1,200 or more dealers in liquefied gas equipment and to set up regulations regarding installation of such equipment.

Kansas City Women Organize

KANSAS CITY—The Kansas City Association of Insurance Women recently organized, elected officers at a meeting here. Miss Louise Price, executive secretary of the Insurance Agents Association, was named president. Other officers are Miss Merle Webster, vice-president; Miss Mabel Brightwell, secretary, and Miss Anne Murphy, treasurer.

Speakers included Miss Berneeda Faulk, Wichita, treasurer of the National Association of Insurance Women; George Oppenheimer, Oppenheimer Brothers; R. H. Hawley, manager of Travelers; Harry M. Gambrel, Gambrel-Stubbs agency, and W. J. Welsh, Mann, Barnum, Kerdolf & Welsh.

The organization will help with the convention of the National Association of Insurance Agents here this fall.

Potter to Address Akron Agents

Wellington ("Duke") Potter, Rochester, N. Y., will address the spring meeting of the Insurance Board of Summit County, Akron, O., April 29, on "Selling Stock Insurance Against All Competition." Invitations are being sent to various associations and to field men in Ohio.

New Rate Books in Illinois

Rate books were published by the Illinois Inspection Bureau during March 1941 for: Arthur, Bradford, Creal Springs, Gilman, Goreville, Lebanon, New Athens, St. Charles, Stockland, Stonefort, Wheaton, Williamsville.

Williams Heads Successful Fight

MINNEAPOLIS—Now that compulsory automobile liability insurance has been disposed of in Minnesota for another two years, much credit for non-enactment of such legislation is being given to W. A. Williams, vice-president Fred L. Gray Co., Minneapolis. Mr. Williams led the educational campaign against such legislation, speaking before numerous groups of business men in all parts of the state. His chart talks proved most effective in stimulating sentiment against compulsory insurance.

Radio Campaign in Leavenworth

The Fire & Casualty Underwriters of Leavenworth, Kan., are conducting a radio campaign covering advantages of capital stock insurance written through the local agent, who is in a position to service the business properly and promptly. Names of member agencies are given in the broadcasts.

W. S. Hocker, Jr., Quincy Manager

Guy G. Gillespie, for the past 12 years manager of the Quincy, Ill., branch of Western Adjustment, will be transferred to St. Louis as a member of the staff. He will be succeeded as

manager at Quincy by W. S. Hocker, Jr., formerly of Springfield and Kansas City, Mo. Mr. Hocker has been a member of the Quincy staff since last February. The other member is J. D. Buntin. A third adjuster will shortly be assigned to Quincy.

Mr. Hocker has had a wide experience in adjusting and is highly regarded.

Honor Albert Lea Veteran

ALBERT LEA, MINN.—L. A. Brown, veteran head of the Albert Lea Insurance Agency, was honored at the 10th anniversary meeting of the Southern Minnesota Agents Regional Association here. He was one of the organizers of the Southern Minnesota Association. Leroy Engberg, St. Paul, chairman of the executive committee of the state association; Frank R. Preston, executive secretary, and L. E. Hatlestad, Minneapolis, attended.

Erion to Speak in Detroit

Frank L. Erion, Chicago adjuster for the companies, will address the Detroit Association of Insurance Agents at a meeting there April 29, on use and occupancy insurance, the subject on which he has become known as a national authority. The title of his paper is "War-Priority and U. & O." Non-members and insurance buyers are invited. This will be a public meeting.

Plan Fire Prevention Broadcast

LANSING, MICH.—Governor Van Wagoner has relinquished his radio time over station WKAR of Michigan State College April 21 to permit a fire prevention broadcast by W. O. Hildebrand, secretary-manager Michigan Association of Insurance Agents, and Arnold Renner, assistant state fire marshal. The radio program will help publicize a Michigan Fire Prevention Association inspection of Lansing April 24-25.

Hear of Defense Area Regulations

WICHITA—The Wichita Association of Insurance Agents heard Dr. James E. Wolfe, director of the city health department, speak on new health regulations adopted since Wichita has been designated as a "defense area," due to four aircraft factories of the city being engaged in military production. Clint C. Anderson, program chairman, was in charge, President Victor G. Henry presiding.

May Increase State Fund Cover

MILWAUKEE—With \$300,000 of a total of \$700,000 insurance on the municipal auditorium building and contents already carried in the Wisconsin state fire fund, \$400,000 being placed with local agents for private companies, a movement has been started to increase the amount of state fund coverage to 50 percent. The city attorney has ruled that the auditorium is eligible to state fund coverage because the city holds title to the building and property.

Salina Plans for Kansas Meet

SALINA, KAN.—The Salina Insurance Board at its April meeting made preliminary plans for entertaining the Kansas Association of Insurance Agents at its annual convention in September in Salina, preceding the National association convention in Kansas City. Secretary V. M. Richmond of Richmond & Glover, who has been ill since Feb. 1, is reported much improved and expected back at his desk shortly.

List Ohio Mid-Year Speakers

COLUMBUS—A tentative program has been arranged for the mid-year meeting of the Ohio Association of Insurance Agents, which will be held at the Neil House in Columbus May 15. The morning session will open with a skit on use and occupancy by a group from the Ohio Stock Fire Insurance Speakers Association. This will be followed by a talk by Kermit Hill, Springfield Fire & Marine, Chicago, on the same subject.

A representative of the FBI will speak at the luncheon.

F. B. I. Man Cincinnati Speaker

CINCINNATI—R. C. Surran of the F. B. I. will address a Cincinnati Fire Underwriters Association solicitors' meeting May 1 on "Internal Security."

Educational Meeting in Detroit

DETROIT—The stock fire, casualty and surety companies are holding a Wayne county insurance educational meeting at the Detroit Leland Hotel April 21, commencing at 4 p. m.

NEWS BRIEFS

The Sioux City (Ia.) Insurance Women's Association held a luncheon meeting with Mabel Eleas as chairman. A special luncheon meeting will be held April 27. Women from the territory surrounding Sioux City have been invited to attend.

Nearly 50 "bosses" and members attended the "bosses day" luncheon of the Hutchinson Association of Insurance Women. Frontier Day table decorations and western costumes were much in evidence, in keeping with the promotion of Hutchinson's coming "Prairie pow-wow" celebration of its 75th anniversary. E. B. Fergus, Kansas Inspection Bureau, Wichita, was guest speaker.

A few hours after he had participated in a committee hearing on compulsory

automobile liability insurance, L. J. Gleason, Minneapolis insurance man and member of the legislature, was hit by a car and considerably shaken up. He is still limping slightly but has insisted on attending sessions of the house daily. Mr. Gleason was among those who opposed the compulsory auto bill.

The annual northwest fire school and a five-day school for instructors in fire prevention and fire fighting will be held at the University of Minnesota May 5-9 under the auspices of the League of Minnesota Municipalities.

Lucille Jahn, J. M. Crowley agency, president of Insurance Women of Milwaukee, and Lucille McDermott, Columbia Casualty, have been elected delegates to the national meeting in Nashville, Tenn. A "bosses' night" meeting will be held May 5.

Franzen & Franzen, with Marie Franzen president, Katherine Brierton, vice-president, and Gertrude Franzen, secretary, is a new agency in Sherwood, Milwaukee suburb.

Laurin Jones of Dodge City, president Kansas Association of Insurance Agents, has moved his offices to larger quarters at 505 First National Bank building.

C. A. Ford, district representative of the Bruce Dodson interests of Kansas City for Kansas, Colorado and Nebraska, has established headquarters in Wichita. He is a son of Chester E. Ford, veteran agent of Des Moines and former president of the Iowa association.

IN THE SOUTHERN STATES

Arkansas Committee Holds Meeting in Little Rock

LITTLE ROCK, ARK.—A general study of underwriting experience was the chief business of the Subscribers Advisory Committee of the Arkansas Fire Prevention Bureau at its annual meeting here. W. Ross McCain, president of Aetna Fire, is chairman of the committee.

Other members are H. R. Tomlinson, vice-president Aetna; R. M. Anderson, vice-president National of Hartford; H. P. Whitman, vice-president Phoenix of Hartford; J. C. Evans, vice-president Great American; D. E. Monroe, vice-president Commercial Union group; Ivan Escott, vice-president Home; W. B. Rearden, vice-president Firemen's; J. H. Hines, manager of Crum & Forster, Atlanta; E. G. Frazier, Chicago, vice-president Springfield Fire & Marine, and C. A. Dosdall, secretary St. Paul Fire & Marine.

T. F. Baker, bureau manager, was host at a luncheon and the Arkansas Field Men's Club was host at a dinner.

Louisville Board Starts School

LOUISVILLE—The Louisville Board started another insurance school Monday, to continue for six weeks.

Topics are: "The Fire Insurance Policy," T. M. Galphin, Jr., attorney; "Forms and Rules," W. E. Clark, Kentucky Actuarial Bureau; "General Liability Insurance," H. V. Davis, Jr.; "U. & O. and Profits," E. B. Hatch, Jr.; "Burglary and Robbery," Rai Lowry; "Automobile," M. W. Boedeker; "Office Systems," Adolph Reutlinger; "Ethics," T. S. Dugan. One additional speaker will be selected to speak on automobile liability. Mr. Boedeker will cover only fire, theft and collision insurance.

Greater Miami Board Elects

F. B. Adae, president of Adae & Hooper, Miami Beach, Fla., was elected president of the Greater Miami Insurance Board, succeeding M. D. Adams, who became a member of executive committee. R. C. Houser was elected secretary-treasurer.

North Carolina Program for Pinehurst May 4-6 is Set

The North Carolina Association of Insurance Agents has lined up speakers and outlined the entertainment program for its annual convention at the Carolina hotel, Pinehurst, May 4-6.

Speakers are P. H. Midyette, president National association; W. F. White, superintendent accident and health department, Globe Indemnity; J. H. Egloff, supervisor agency field service Travelers; P. J. Berry, president Security Fire, and H. P. Stellwagen, executive vice-president Indemnity of North America.

Entertainment includes a get-together dinner Monday evening followed by entertainment and the annual ball, and a golf tournament Sunday afternoon.

West Pushes Fight on Cooperatives

O. H. West, formerly manager of the Virginia Association of Insurance Agents, now managing director of the Retail Merchants Association of Virginia, speaking at the annual banquet of the Waynesboro Retail Merchants Association last week, sounded a call for retail merchants throughout the state to band together for a show down fight for the elimination of tax exemptions enjoyed by consumers cooperatives.

His activities are under the direction of a special consumers cooperative committee which has representation from business interests other than the Retail Merchants Association, including stock insurance. The Virginia Association of Insurance Agents has contributed \$2,000 to this special program.

Amarillo Exchange Elects

AMARILLO, TEX.—George Bates has been advanced from vice-president to president of the Amarillo Insurance Exchange, succeeding S. W. O'Keefe. Benton King and H. N. Wheeler are vice-presidents and J. E. Spann re-elected secretary-treasurer.

Houston Firm Improves Drill Cards

Cravens, Dargan & Co., Houston general agents, have effected considerable improvement in the fire drill record

cards they have been distributing in schools in Texas for the past 15 years. This has been done in connection with the fire division of the board of insurance commissioners which furnishes a manual for teaching fire prevention. Texas towns get a credit in their key rates for teaching fire prevention in their schools and country schools get a credit in the school rate itself.

Big Oklahoma Compress Loss

ALTUS, OKLA.—Fire at the Traders cotton compress shed No. 4, which contained about 4,000 bales of cotton, caused an estimated loss of about \$154,000. It is estimated that about 1,200 bales will be saved. Most of the cotton involved was 1934-35 government loan cotton and was reported covered 100 percent by insurance by the compress itself.

Open Oklahoma City Office

Bomford Brothers Company, local agents of Miami, Okla., are opening an office in Oklahoma City under direction of A. E. Turner, formerly with the Will S. Eberle general agency of Oklahoma City. The company also maintains an office in Tulsa.

Agents Renamed on City Council

OKLAHOMA CITY—L. I. Baker and T. A. Stark, local agents, both active in the Oklahoma City Insurers Exchange, have been reelected to the city council. Mr. Baker was for several years secretary of the Oklahoma City Insurers and later served the Oklahoma Association of Insurers in the same capacity. He now has charge of all county insurance.

Bigelow Arranges for Va. Meeting

Samuel Bigelow, manager Virginia Association of Insurance Agents, was in Roanoke last week making arrangements for the association's annual meeting there May 22-24. A golf tournament has been arranged for the afternoon of May 22.

Heavy Hail Damage in Tenn.

DAYTON, TENN. — Local agents here report several thousand dollars damage as the result of a heavy hail storm. Heaviest damage was to the Hotel Aqua, where hailstones made a big hole in the roof. A heavy downpour of rain accompanied the storm.

Va. Department Issues Directory

RICHMOND—Through the Virginia department, the corporation commis-

sion has issued a directory of all agents licensed to do business in the state Aug. 31, 1940, arranged alphabetically by cities and towns, with the name of the agency and companies represented on that date.

Copies of the directory may be procured by writing direct to the department.

Cawthon Visits Exchanges

NASHVILLE, TENN.—To arouse the greatest possible interest in the agents' school, sponsored by the Tennessee Association of Insurance Agents, to be held at the University of Tennessee, Knoxville, Secretary R. T. Cawthon has started a tour of all local exchanges. This week he is visiting exchanges at Jackson, Union City, Trenton and Memphis, in west Tennessee. He attended a meeting of the Gibson County Insurance Exchange, which was addressed by Commissioner McCormack.

Must Conserve Fire Equipment

NASHVILLE, TENN.—Capt. W. D. Rogers of the Tennessee fire prevention bureau has warned all local fire departments to take special care of all fire fighting equipment, since a shortage of such equipment, due to defense orders, is almost inevitable. He said the war has brought all fire fighting units into the first line of defense.

Organize Defense Fire Patrol

KNOXVILLE, TENN.—The local fire prevention bureau is organizing a special fire marshal's section to patrol industrial plants, stores and other places of business during the national defense emergency. Chief Weill of the bureau is having heads of local concerns desiring to participate select employees to be designated as fire marshals and trained in fire prevention work.

May Employ Aid to Bethel

The executive committee of the Kentucky Association of Insurance Agents recently decided to employ an assistant secretary for the organization to relieve Secretary Peyton B. Bethel of some of his duties, if the right man can be found. Mr. Bethel's work has increased greatly in recent years.

New Forms in Kentucky

LOUISVILLE—The Kentucky Actuarial Bureau has put in force in this state the changes in rules and forms which are being made effective in middle

western territory generally. This includes specific treatment of additional living expense insurance and the new uniform building and contents form No. 18. The changes become effective April 12.

Ky. Program Is Being Shaped

LOUISVILLE — Preliminary plans have been made for the annual convention of the Kentucky Association of Insurance Agents at the Brown Hotel, Louisville, June 19-20. There will be a meeting of the executive committee and officers following a dinner June 18, with

the convention starting the morning of June 19. The morning of June 20 there will be a short general session, followed by an executive session for members only.

Roy Duffus of Rochester, N. Y., Sherman Goodpaster, Kentucky insurance director and Howard Bradshaw of Delphi, Ind., are on the program. About six outside speakers will be secured.

B. W. Draper, San Antonio local agent, spoke to the Retail Druggists Association, there, on the insurance problems of the druggist.

PACIFIC COAST AND MOUNTAIN

Seattle Stimulates Oakland Attendance

SEATTLE—To stimulate attendance of its members at the Oakland mid-year meeting of the National Association of Insurance Agents, the King County Insurance Association will pay up to \$35 of the expense of members attending. Over 15 have signed up, President A. W. White announced.

W. H. Harmer, program chairman, presented W. C. Meek, former National association executive committeeman, who gave a preview of the Oakland program. He also announced that G. W. Scott, newly-appointed National association educational director, would doubtless visit the northwest following the Oakland convention to assist in the sponsoring of educational programs.

Mr. Harmer reported on the Washington association's executive committee conference at Longview. The state convention will be held at Tacoma in August.

R. H. Ensign reported for a special committee investigating the possibility

of resuming a credit reporting service. The committee recommends the reinstatement of the service which operated a number of years ago. Members will be called upon to submit names of accounts cancelled for non-payment and monthly master lists will be sent to all members.

Copies of the newly-amended automobile financial responsibility law, which becomes effective June 11, were distributed by Irwin Mesher, executive secretary state association, who explained that the new law provides for suspension of the operator's license only. Heretofore the operator's license and all motor vehicle registrations and plates of offenders were forfeited under the law. The operation of the Washington assigned risk plan was also explained. Most Washington agencies will be affected by the newly-amended unemployment compensation act, Mr. Mesher said. All employers of one or more persons must submit payroll reports and pay a 2.7 percent payroll tax.

E. R. Bowden, legislative chairman, reported that the organization meeting of the proposed Washington Surplus Line Brokers Association had been

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held and that prospects appeared favorable.

Mr. White announced that the May meeting will be a dinner, restricted to members only. The Oakland meeting and association topics will be discussed.

Portland, Ore., Agents Hear Criticisms of Insurance Buyer

PORTLAND, ORE.—W. E. Sharpe, insurance manager for Meier & Frank Company department store, addressed the April meeting of the Portland Association of Insurance Agents, most of those in attendance having called on the speaker in selling activities. He declared that insurance is a commodity, similar in many respects to a stock of merchandise, and that every agent is a merchant. He criticized the lack of imagination of agents and blamed too much reliance on standardized forms and policies for stifling of initiative in insurance selling.

The improbable hazard must be uncovered and exposed to the view of the buyer, he says, and then a policy form designed to protect against it, before an agent can claim the respect and the business of large buyers of insurance. In his opinion mutuals and reciprocals have a place in the scheme of insurance.

The association voted to invite Jay W. Stevens to address a special meeting May 28. He will speak before several local civic clubs in Portland the week of May 27 in connection with the celebration of the 75th anniversary of the National Board.

Washington Surplus Line Group Holds First Parley

SEATTLE—Holders of surplus line brokers' licenses in Washington were called to a conference by Commissioner Sullivan, and a tentative proposal was submitted for the formation of the proposed Surplus Line Brokers Association of Washington. There were 15 offices, which represents most of the license holders, in attendance.

Commissioner Sullivan said he was hopeful that the governing committee of Lloyds would conclude an agreement with the proposed association, thus making possible the establishment of a setup similar to that in force in California. This, he felt certain, would stop bootlegging of Washington risks by brokers outside the state.

J. F. Sullivan Presides

J. F. Sullivan, assistant commissioner in charge of fire and casualty, was elected to serve as chairman pro tem. He presented a tentative draft of constitution and by-laws, which he said were modeled closely after the California setup. He asked that the surplus line license holders study the proposal and be prepared to offer suggestions at the next meeting.

A nominating committee was appointed, headed by R. E. Voigt, Swett & Crawford. The election will be this week.

Selection of an arbitrator to inspect risks submitted for non-admitted placement has been given consideration, Mr.

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Sullivan pointed out. A recommendation had been made by several brokers that the Washington Insurance Examining Bureau be designated to stamp dailies under the plan and determine whether they are eligible for non-admitted placement.

Any Agent Can Place Cover

The question of agents and brokers other than those holding surplus line licenses being eligible to place surplus line risks was raised. Mr. Sullivan said the new law permits any agent for an admitted company to broker surplus line risks through surplus line licensees. Non-admitted insurance procured in accordance with the terms of the new law, can henceforth be accepted as "admitted" insurance by a governmental agency. The basis of the new law, Mr. Sullivan said, is that a risk becomes eligible for placement in a non-admitted market if a "majority" of admitted carriers writing a given class will not write the risks. An affidavit to this effect must be filed with the insurance department.

To give the new setup full effect, Mr. Sullivan said, it is necessary to secure an agreement from the governing committee of Lloyds under which Lloyds will bind no Washington risk unless submitted by a member of the association. Duncan & Mount, United States attorneys for Lloyds, have recommended to London that such an agreement be entered into with the proposed Washington association. A similar agreement is now in force with respect to California.

Agents Must Do Their Part

LONG BEACH, CAL.—H. G. McGee, former president of the Insurance Exchange of Los Angeles, spoke on the "Future of the American Agency System" before the Long Beach Insurance Agents Association. He said it is the duty of the agent to fulfill all his functions, including the underwriting and issuance of policies, surveying and other services for the assured, in order to earn his commission. He urged the agents not to have the companies do all the work and then expect them to remit full commissions. If the agent does not do his part and the practice of foisting the work on the companies grows, there are likely to be serious complications that will not aid the smooth working of the present agency system.

Form Los Angeles Speakers Group

LOS ANGELES—Insurance men interested in getting the message of insurance before the public have formed the Insurance Speakers Club of Los Angeles, with these officers: President, Karl F. Glassbrenner, Glens Falls; vice-president, W. M. Paxton, Edward Brown & Sons; secretary-treasurer, J. J. DeVoe, Northern Assurance; directors, C. E. Curry, George Williams office; V. W. McKinney, America Fore; W. M. Sidebotham, St. Paul F. & M.

Revamp Walla Walla School Line

WALLA WALLA, WASH.—Insurance on the properties of Walla Walla school district has been written by the Walla Walla Association of Insurance Agents. The entire fire insurance program has been revamped and a new appraisal made. The school board's casualty line has also been placed with the association. Members of the Walla

Walla association will participate in the commissions.

Under the old system, the district was dealing with 25 agents, representing 35 companies, and held 84 separate policies.

Pacific Board Meets May 9

Date for the annual meeting of the Pacific Board at Del Monte, Cal., has been changed to May 9. The regular date, according to the board constitution, is May 8 and to comply with that provision the members will meet officially in San Francisco on that date and then adjourn to Del Monte.

Bowers Helps Install Department

SAN FRANCISCO—George Bowers, vice-president of the Globe & Rutgers group, has been in San Francisco in connection with the formal establishment of the companies on a managerial basis for the Pacific Coast. Mr. Bowers has been conferring with F. M. Phipps and A. G. Wallace, associate managers of the new department, on plans of operation and development in the coast territory.

Home Executives on Coast

C. D. Lasher, San Francisco, Pacific Coast manager of Home, attended a regional meeting of its executives in Salt Lake City with local agents in that territory. A similar meeting is being held in Del Monte, Cal., this week. Several of the executives in the party will remain in California to attend the mid-year meeting of the National Association of Insurance Agents.

Senator Reviews Legislation

TACOMA, WASH.—State Senator R. A. Lindsay of Spokane, speaking at a luncheon meeting of the Spokane Insurance Association, reviewed the 1941 legislative session, with particular reference to measures affecting insurance.

C. P. Carroll reported on the Longview mid-year meeting of the state association's executive committee, stating that it was recommended that some system of policing the writing of comprehensive liability policies be installed.

Thompson Pledges Cooperation

Commissioner Thompson of Oregon has issued a statement in connection with the National Board's 75th anniversary observance, declaring that Oregon has already taken its place in the front line of national defense through fire defense and the building of a safer America through reduction of loss through fire. He pledged his wholehearted cooperation in plans for a fire prevention campaign in connection with the celebration.

NEWS BRIEFS

Carter, MacDonald & Co., Seattle agency, is sponsoring a weekly radio broadcast, "This Week in Business," Friday at 10:15 p. m. over KOMO.

R. M. Coon, superintendent of the sprinkler department of the Pacific Board, is confined to St. Mary's Hospital, San Francisco, recuperating from a heart attack. He will be in the hospital about two months.

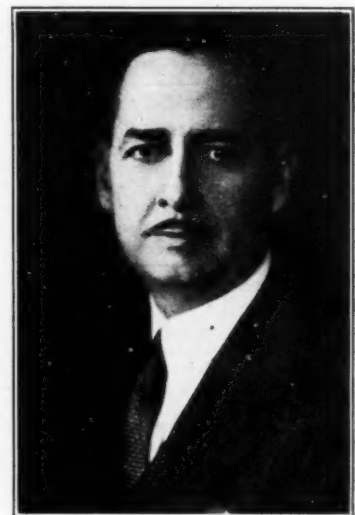
Addison I. Doling, secretary of New Hampshire Fire, expects to make a trip to the Pacific Coast about the first of May.

EAST

Nichols Co. Ends 20 Years of Service

Nichols Company, one of the pioneer independent adjustment firms in the middle east, is celebrating the completion of 20 years of "practical" claim and loss service in Washington, D. C., and vicinity.

V. A. Nichols organized the company in 1921 and has developed it into one of the foremost independent adjust-



V. A. NICHOLS

ment offices in the country. Serving only insurance companies, the firm has complete facilities and conveniently located offices for prompt 24 hours service in the District of Columbia, Maryland, Virginia and eastern West Virginia. Branches are maintained in Richmond and Winchester, Va., and Baltimore and Hagerstown, Maryland. The main office is in Washington.

Prior to opening his own office in 1921, Mr. Nichols was for 10 years in the claim department of Continental Casualty Co., spending three years in the home office and covering the southeastern section the balance of that period.

He entered the independent field with a number of well defined ideas concerning the conduct of an office and still adheres to them. The first was that facilities should be reserved for the use of insurance companies to the exclusion of claimants and even self-insurers. A second was that the adjuster's function

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should be clearly separated from the practice of law and a third calls for complete integration of the work of the main office and of branch offices, in the interests of efficiency, economy and responsibility. Many customer companies have been continuous users of the services of the Nichols company from 1921 to the present. The Nichols organization now consists of 40 claims people.

Mr. Nichols was president of the National Association Independent Insurance Adjusters in 1939-1940.

He was appointed the official representative of that organization on the conference committee on lay adjusters at the inception of that committee in 1938 and is still serving in that capacity.

N. Y. State Program Is Being Molded

The program for the annual meeting of the New York State Association of Local Agents at the Hotel Syracuse in Syracuse, May 12-13, has now been practically completed. The first convention session will be held the afternoon of May 12 and will feature "A School of Insurance Salesmanship." The topics to be covered include, "What do you know about your business?" "Say it in English," which is a sales demonstration; "Headaches of Fire Insurance;" "Hidden Profits in Accident and Health Insurance;" "Selling the Gadgets" by Roy L. Duffus of Rochester, N. Y.

The administration report will be given the next morning with emphasis on a review of the legislative season. Payne H. Midyette, Tallahassee, Fla., president National Association of Insurance Agents, will give a talk that morning. R. M. L. Carson of Glens Falls, the national councillor, who is chairman of the national councillors conference for E. U. A. territory, will give a report on the session at Oakland, Cal. Most of the sessions that afternoon will be left open for discussion on such topics as branch office operations, mutual competition, mixed agencies and legislation.

The dinner the first evening will be in honor of past presidents. At the banquet the second evening Superintendent Pink will be on hand as usual.

F. L. Greeno of Rochester is chairman of the resolutions committee and E. T. McLaughlin of Watertown heads the nominating committee.

New Englanders to Oakland

BOSTON—The mid-year meeting of the National Association of Insurance Agents at Oakland will attract about a dozen New Englanders. Among those who will attend are President F. R. A. McGlynn, of the Massachusetts association, Worcester; H. R. Preston, Springfield; R. L. Young, Portland, Maine national councillor; President R. S. Perkins, Manchester; Secretary Stewart Nelson, Concord, and R. N. Davis, North Conway, national councillor of the New Hampshire association; H. F. Shea, Barre, Vermont national councillor; H. E. Davis, president Rhode Island association; C. I. Fisher, Providence; President E. S. Cowles, Jr., Hartford; Vice-president D. A. North, New Haven; T. A. Sturgess, New Haven, national councillor Connecticut association; H. W. Hatch, New Britain, and P. H. Taylor, New Haven.

McCoy to Kaler, Carney, Liffler

BOSTON—W. B. McCoy has joined Kaler, Carney, Liffler & Co. as special agent for all lines in eastern Massachusetts. He has been in insurance work 22 years as local agent and spe-

MARINE INSURANCE NEWS

Agent Should Study Marine Definition

A working knowledge of the nationwide definition and interpretation of marine writing powers is essential to all agents if they hope to capitalize the premium potentialities of the inland marine field, Kenneth J. Bidwell, inland marine manager of Manhattan Fire & Marine, told those at the opening lectures on the up-state New York "educational circuit."

The extension course, which includes lectures on five specific subjects, is under the supervision of the New York State Association of Local Agents in cooperation with local groups at Middletown, Binghamton, Elmira, Olean and Jamestown.

The definition is important, Mr. Bidwell stressed, because it constitutes the authority which determines whether or not a risk or class of risks can be written under an inland marine form. "It might well be termed the Ten Commandments of the inland marine business," he declared.

Big Premium Possibilities

"To be able to identify an inland marine risk the moment you see it, or to have a reliable suspicion that a certain risk could be covered by a floater policy, you must develop a high degree of 'inland marine consciousness.' And that can result only from complete familiarity with the basic provisions of the definition. After that the rest is easy—and will become easier as the public begins to appreciate the advantages offered by inland marine policies. This branch of the business is here to stay and grow. And it offers tremendous premium possibilities."

Mr. Bidwell cautioned his hearers to remember that many policies and forms are not controlled by the Inland Marine Underwriters Association and that there is consequently some variation in the wording of policies issued by individual companies.

In any approach to the business, Mr. Bidwell suggested, it is frequently helpful to consider: Where do the inland marine underwriters get their authority to write? to what extent, if any, is the form controlled by the I. M. U. A.? who is a prospect for the coverage, and why?

cial agent. He represented Home and Northern in Maine, Massachusetts and Rhode Island six years. More recently he has devoted his time to brokerage business.

David Miller, 66, veteran Penn Yan, N. Y., insurance man and prominent figure in political and civic affairs, died there after a month's illness. In 1902 he formed an insurance partnership and in 1919 took over the business himself. He held numerous public offices.

War Rates Up in Egyptian Area

War risk rates on shipments to and from Egyptian ports, including Alexandria, Port Said and Suez have been increased from 5 percent to 7½ percent by the American marine insurance underwriters. This increase affects only the ports in and around the Suez Canal and not the portion of the Red Sea below Egypt where the rates remain at 5 percent.

Two new clauses have been added to the war risk policies in the interest of clarity. One of the clauses provides that no claims for freight, storage or other expenses due to a requisition or commandeering of the title or use of any vessel by or with the consent of the country whose flag she flies shall be payable. If as a result of such requisition or commandeering the cargo is discharged at a place other than the place of destination the place of discharge shall be deemed a place of trans-shipment within the meaning of clause 4 (C). If any vessel shall be ordered into or detained in any port by the United States government to protect the vessel from danger of enemy action any resulting loss which would otherwise be covered shall not be excluded by clause 3 (C).

The second clause provides that unless otherwise agreed the rate of premium payable in respect of each shipment insured under the policy shall be the current rate quoted by the company on the date of sailing or on date of loss, whichever may first occur.

The underwriters have announced that it is necessary to exclude from coverage under open policies all shipments by Bulgarian, Danish, Hungarian and Rumanian flag vessels and all shipments to or from ports or places in Bulgaria and Rumania.

The warranty has been eliminated from war risk policies that shipments to Burma, India, Straits Settlements, etc., are not consigned to or intended for the Chinese government or army, etc.

Business as Usual, Writes L. & L. Manager in London

"The bombing of our cities affects the carrying on of the daily routine of our business only superficially," A. S. Rogers, general manager of London & Lancashire, London, said in a recent letter to Gilbert Kingan of Hartford, United States manager.

"Those things we have had to sacrifice in our private lives are just small contributions to the great effort. Never have I found the slightest sign of flinching. If an office building suffered from the effect of bombing; if, for instance, windows are shattered; they are quickly

patched up and work is carried on. The idea that bombing our cities can affect the issue of the war just appeals to us all as stupid."

The attitude of President Roosevelt and the United States government and, more specifically, the passing of the "lend-lease" bill has been received in England with heartfelt gratitude, Mr. Rogers said. Mr. Rogers said confidence in ultimate victory has steadily increased since last August. Now that Americans have joined in such a remarkable demonstration of the unity of the democratic countries and have assured Britain the tools with which to do the job "we cannot fail to win."

Among those in the insurance business and all classes in the cities, everyone is courageous and cheerful, Mr. Rogers said. In fact, the local managers have been so unconcerned about the dangers that they seldom refer to their personal welfare until "I have made inquiry as to whether they were safe and sound," wrote Mr. Rogers.

"I have no hesitation in saying that while there has been grievous loss of life and great material destruction, so far as the moral structure is concerned, the war has meant a strengthening and an uplifting."



LIFE BEGINS AT 100

The hardy cork oak tree gives generously. Every 8 or 10 years the thick outer bark is stripped from its trunk. After each stripping this outer bark is gradually renewed from within. Each succeeding yield improves in quality and quantity until, at around age 100, the tree is at its best and so continues for another half century and more, giving of itself.

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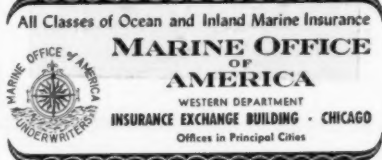
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Progress of Paramount Fire Is Set Forth

(CONTINUED FROM PAGE 4)

dent of Dallas, is general counsel and vice-president. In the organization of the company Mr. McCombs associated himself with Powers, Kaplan & Berger of New York City, thereby bringing to Paramount the ability of Senator Abraham Kaplan, who now is on the board of directors.

The present board of directors is as follows: Owen M. Murray, Ennis E. Murray, Ray A. Thorne, Byron T. Shutz, Lawrence E. Mahan, W. Eugene Harrington, Abraham Kaplan, W. Walter Williams, James W. Collins, Granville M. Semmes, Robert S. Beachy, Sylvanus B. Nye, Wilfred Kurth, Harold V. Smith, Mortimer E. Sprague, Robert F. Rushin, Boyle O. Rodes, Donald T. Pomeroy, Henry A. Carey, Dean R. Hill and Silas G. Connett.

In spite of the fact that the premium production was large for the first year of operation, it is predicted that 1941 will show more than twice the premium production of 1940. Organization work is proceeding rapidly but in an orderly fashion in the following states in which the company is entered: Alabama, Arizona, Arkansas, California, Colorado, District of Columbia, Florida, Georgia, Illinois, Indiana, Kansas, Kentucky, Louisiana, Michigan, Mississippi, Missouri, Nebraska, New Jersey, New Mexico, New York, North Carolina, North Dakota, Oklahoma, Oregon, South Carolina, South Dakota, Tennessee, Texas, Utah, Virginia, Washington and West Virginia.

Paramount's Field Force

The field force consists of J. B. Darnell of the middle west, W. M. Beale of the south, Edward E. Murray, Jr., of the southeast, L. B. Hughes of the southwest, and George C. Kiskaddon of the Pacific coast. There is no ledger-drawn in Paramount. The company is the result of the combined efforts of a group of sound insurance men working in complete harmony with recognized principles of good business. There was no promotion expense. The organizers worked without compensation, being satisfied that the successful result would be ample reward.

The statement for the year ending Dec. 31, 1940, reflects total admitted assets of \$602,665, with surplus of \$241,320. Capital remains unchanged at \$300,000. Its invested assets consist entirely of government bonds.

Folonia's Death Removes Strong Insurance Lawyer

(CONTINUED FROM PAGE 4)

Street on several occasions on matters of fundamental policy, but that he had regarded Mr. Street as his employer and that he had felt it would have been dishonorable to have built up opposition to Mr. Street's policies elsewhere in the fire insurance business.

So long as Mr. Folonia felt that his grievances against Mr. Street were personal, he kept his own counsel. In December of 1937, however, he testified, he did decide to go over Mr. Street's head and appeal to E. A. Henne, vice-president of America Fore. Mr. Folonia had proposed that the balance in his hands and those of Mr. Street as trustees of a fund representing 30 percent of the entire impounded premiums in the 16½ percent rate increase case, be distributed to the companies. Mr. Street took violent exception to that proposal saying that the money must remain in their hands because he might have to "equalize" the companies whose rate cases were before the state court. The result was that there was distributed to the companies all but about 1½ percent, which Mr. Folonia stated, was left there as a "sop" to Mr. Street.

Undoubtedly, Mr. Folonia would have been summoned to have appeared again in the series of hearings now being con-

ducted in connection with the Missouri rate case by Attorney-general McKittick of Missouri, had he lived. Those hearings are scheduled to be resumed in Chicago April 23.

Mr. Folonia's law firm was formerly Bates, Hicks & Folonia. On the death of Mr. Hicks, Mr. Folonia formed a new attachment, the firm being McKinney, Folonia & Grear. Also associated with that firm is Hendrik Folonia, who had been closely associated with his brother and is also very close to the business.

Mr. Folonia had gone to Springfield by early morning train. He intended to transact some business there and then meet Mrs. Folonia that afternoon, she to drive to Springfield. Mr. Folonia owned two farms near Springfield and they had planned to visit those properties that afternoon together.

Funeral services were held in Springfield Monday afternoon. E. H. Born, secretary, represented the Western Underwriters Association.

Among others at the funeral were R. D. Hobbs, manager Western Actuarial Bureau and several other members of that organization; Clarke Munn, manager Cook County Loss Adjustment Bureau; Roy Sellery, general manager, and R. R. Lippincott, assistant general manager Western Adjustment; E. A. Henne, vice-president America Fore, chairman Subscribers Actuarial Committee; R. A. Parker, acting manager Chicago Board; Paul Terrv, manager Missouri Inspection Bureau; Homer Berger, attorney of Kansas City, who is now engaged in the rate case litigation; Alvin S. Keys, local agent of Springfield, who looked after the welfare of the insurance men from out of the city.

Much Talent at Buyers Conference

(CONTINUED FROM PAGE 3)

Company, Baltimore. Speakers at the second dinner-smoker session will be: W. P. Woodroffe, assistant secretary, North America, and Walter C. Howe, Jr., manager brokerage and service department Agicultural.

Tuesday morning will be devoted to insurance and the defense program. H. V. Smith, president of Home, will preside over a panel which will discuss insurance for the protection of American industrial plants. Among those on the panel will be: E. J. Bond, Jr., president Maryland Casualty; H. E. Adams, assistant manager Factory Association, and G. F. Ainslee, Jr., agency supervisor American Surety.

The conference will conclude on Tuesday afternoon with a questions-and-answers session devoted to use and occupancy and automobile fleet insurance. J. A. Robinson, insurance manager McKesson & Robbins, will preside. The speakers will include: Dale F. Reese, vice-president Hartford Steam Boiler; J. C. L. Bowman, assistant vice-president and chief underwriter Liberty Mutual; George Rogers, insurance manager Robert Gair Company, and W. J. Montgomery, vice-president Ernest W. Brown, Inc.

Basil A. Twiss, 51, president of B. A. Twiss & Co., Toronto, well-known in insurance circles in the United States, died there.

Control of Excess of N. Y. Changes

(CONTINUED FROM PAGE 18)

ton. Later he became manager of Illinois Agricultural Mutual of Chicago, which is the automobile insurer of the Illinois Agricultural Association. He became manager of Excess Underwriters in 1929 and in 1936 was elected president.

Mr. Mallory was at one time Chicago claim manager of Employers Liability. Later he became manager of the casualty insurance department of Swift & Co. and when Security Mutual Casualty was organized by the Swift interests in 1913 he became manager. He was elected president in 1936, and on April 1 of this year he became chairman.

The meeting of stockholders of Excess will take place April 22. A new board will be elected and stockholders will vote on a proposal to reduce the number of directors from 17 to 13.

It is understood that the new owners paid \$13 to \$13.50 per share for the stock of Excess. The bankers are reported to have paid not more than \$9 per share and thus they made a good profit.



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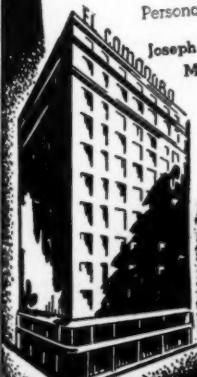
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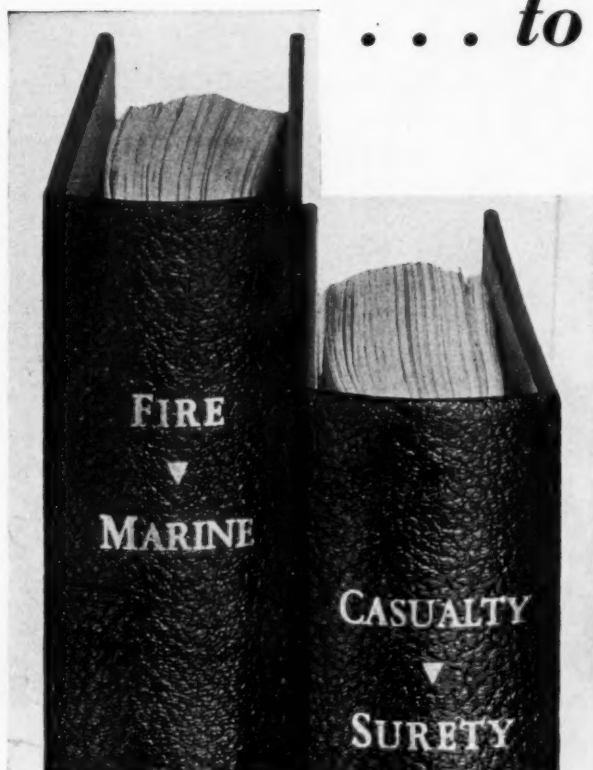


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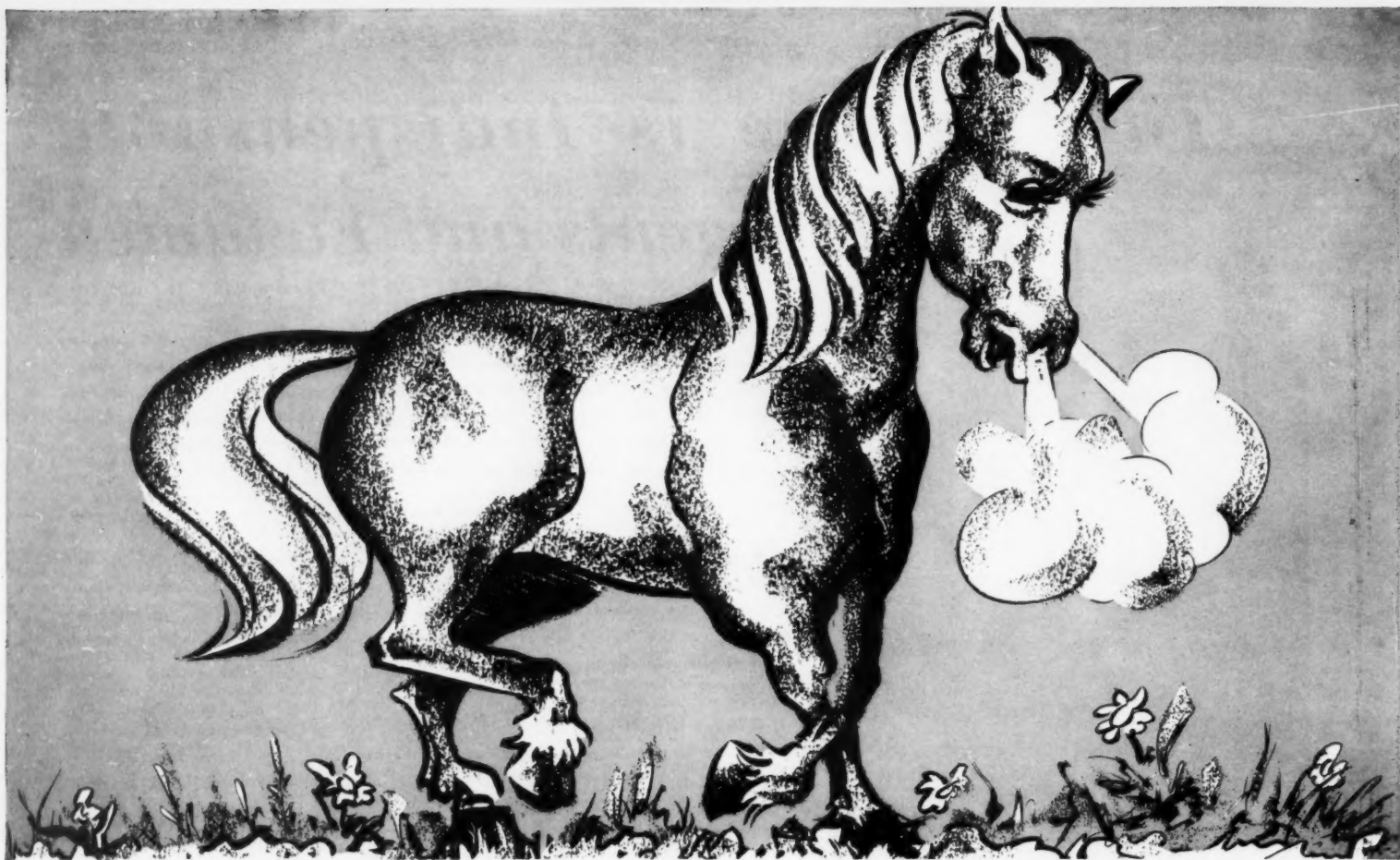
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